

## Management by Interest Theory

Isaac Onyeyirichukwu Chukwuma<sup>1\*</sup>, Uzoma Ogochukwu Okonkwo<sup>2</sup>

<sup>1</sup>University of Port Harcourt, Nigeria

<sup>2</sup> University of Nigeria, Nigeria

**\*Corresponding Author:** I. O. Chukwuma

University of Port Harcourt, Nigeria

Email: isaac.chukwuma@uniport.edu.ng

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**Abstract:** This paper explored the originality of the management by interest theory as an organizational management theory. The management by interest theory aims to provide strategic insights to understanding the dynamics involved in the operations of interest in executing organizations' affairs by management. The study engaged a descriptive narrative methodology in exploring the concept of organizational interest, organizational member's interest, stakeholders' interest, dominant interest, management role, and postulations of the assumption of the management by interest theory. The study posits that the management by interest theory connotes the default interest that presently defines an organization's protocol of engagement in its present and future activities. In conclusion, the management by interest theory is relevant in explaining and understanding management exploration of interest and the interplay of organizations' engagement protocol in today's organizations.

**Keywords:** Dominant interest, management by interest, management role, organizational member's interest, organizational interest, stakeholders' interest.

## INTRODUCTION

The dynamics of interest in organizational affairs have been a recurrent feature in organizations' existence. This is mostly reinforced by the fact that organizations via their activities, participants, and goals are social entities influenced and administered by stakeholders, shareholders, and individuals (employees) who are naturally social beings. The peculiarity of interest in organizational affairs is anchored on its ability to influence and define organizations' priority, orientation, and motivation; which directly affects the dynamics of authority, culture, and resources in such organization.

Irrespective of the trajectory of theories that have explored concepts of optimizing organizational affairs and purpose [Scientific management theory (Taylor, 1911); Administrative management theory (Fayol, 1949); Bureaucratic theory (Webber, 1947); Management by objectives (Drucker, 1954); Shareholder theory (Friedman, 1970); Stakeholder theory (Freeman, 1984); Upper echelon theory (Hambrick and Mason, 1984); Theory of practice (Bourdieu, 2000, 2003)], the management by interest theory grants a clear insight on the core influencing factor of decision making and interpretation of organizational purpose as interest dynamics redefine the deployment of authority, priority, orientation, and motivation. Notwithstanding the arguably obvious interplay of interest in organizations' affairs, there is a paucity of studies that have sought to grant insight and offer to understand the direct articulation of interest and the role of management in its evolution to redefining decision making. Hence, the management by interest theory is a structural postulation whose objective is to fill this gap and create curiosity in advancing strategic knowledge on the theme.

The study's contribution in actualizing its objective will be segmented as follows; organizational interest, organizational member's interest, stakeholders' interest, dominant interest, management role, and postulations of the

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assumption of the management by interest theory. The study engaged a descriptive narrative methodology as it offers opportunities for systematic insight and speculation.

### **ORGANIZATIONAL INTEREST**

Organizational interest is a vista for exploring the spectrum of goals, visions, objectives, mission, strategies, resource management, plans, models, leadership style, philosophies, niche, knowledge management, decision making, authorities, values, advantages, shares, etc. Its aim defines the nature of its engagement with all shareholders and stakeholders; hence, its engagement protocol at all times is anchored on optimizing its explicit interest. Organizational interest is the established explicit agenda that defines an organization's essence, relevance, and engagement protocol; it is the foundation on which an organization's posterity is guided, and with regards to its environment, the explicit interest may be officially modified to articulate plausible opportunities and threats.

The general motive of an organizational interest is the creation of a valid tactical ripple benefit that seeks to optimize strategic advantages for organizations' posterity and valid relevance in tomorrow's market landscape. Organizational interest is dynamic and adopts a flexible connotation in response to the evolving realities in its environment.

The organizational interest although the propounding premise for organizational affairs is not the only interest seeking expression in organizational affairs. Although organizations seek to ensure an alignment of interest in engaging individuals as organizational members, individuals by nature possess a will that may alter or not sustain the originally expressed alignment to organizational interest. Notwithstanding the scenario, there is evidence of diverse interests operating within organizations.

### **ORGANIZATIONAL MEMBERS' INTEREST**

The alternate interest that seeks a much direct influence on organizational interest is the organizational member's interest. The organizational members' interests may be aligned to the organizational interest; the degree of alignment between organizational members' interests to organizational interest influences the interpretation, commitment, and optimization focus on organizational interest. Hence, organizations usually seek to engage members with an aligned interest to their explicit interest. The unity in purpose between organizational members' interests and organizational interest solidifies and fortifies the level of active commitment to the actualization of organizational interest especially when significantly supported by the top management cadre. Organizational members' interests can be intrinsically or extrinsically motivated.

The array of diverse interests is an indication of the organizational members seeking expression to gain relative advantages through heterogynous means and agenda in the workplace; this means and agenda may not optimize the organizational interest. As organizational members interact, unconsciously or consciously they subtly seek to connect with others who share their interests, and also note and categorize the interest of other organizational members as a tool that may be leveraged for future strategic benefits. The arrays of interest, irrespectively of their real intentions are usually interpreted in a manner that seems to give valid expression to the organizational interest, although this may not be so in reality.

Employees' being humans actively or passively seeks ways to advance their perceived or conceived individual interest and the workplace is no exception. Notwithstanding the explicit nature of the organizational interest, organizational members (i.e. employees) as individuals seek relative strategic alliances with co-employees (if need be) to further the actualization of their interest. This influence may strategically further the organizational interest when it is aligned with the organization's interest. Simultaneously, the actualization of the organizational interest may aid in achieving or optimizing the organizational member's interest. Alternatively, the actualization of the organizational member's interest may negatively influence the extent of accomplishing the organizational interest.

The divergent interest of organizational members are not explicit, its characterization is mostly communicated with subtlety, except where it's perfectly aligned to the organizational interest, or amongst employees that share the same interest. Irrespective of the scale of rationality (i.e. not rational to highly rational) of organizational members' interests, they are committed to defending their interests, unless a strategic insight (i.e. knowledge, access, leverage, exposure, etc.) is gained, then their interest is altered.

### **STAKEHOLDERS' INTEREST**

Stakeholders' interest has become more potent in recent times and majorly seeks to redress organizational negligence or offer legitimacy when organizational affairs are aligned to sustainable norms in its environment. Stakeholders' interests are divergent and mostly streamlined to their individual scope of norms; these interests are peculiar to the stakeholder body that seeks to influence organizational engagements in conforming to their perceived interests.

While there are divergent interests in line with the numerous stakeholders (i.e. host community, suppliers, regulators, customers, investors, media, etc.) capable of influencing organizational affairs, these stakeholders' activities are mainly potent in gaining significant support from the top managerial cadre when their defined interest is integrated and capable of liquidating or significantly hindering the growth prospect of such organization if ignored. Although, organizations may proactively explore some stakeholders' value proposition (i.e. interest) in advancing the organization's dominant interest.

Significant stakeholders' interest, irrespective of their official or unofficial status is usually given due consideration by organizations' management, and in most cases, organizations proactively give strategic information to ensure stakeholders are duly informed of their alignment to established and sustainable operation mode, hence promoting their legitimacy and acceptance ranking amongst stakeholders.

### **DOMINANT INTEREST**

Every interest at play in an organization is constantly seeking dominance. There are possibilities where the dominant interest in an organization is not operating from the viewpoint of the explicit organizational interest. A dominant interest connotes the operational interest that majorly influences, controls, interprets, and manages organizational resources, policy, priority, orientation, motivation, and action. The dominant interest utilizes organizational resources in line with their priority and orientation; which may not be aligned with the explicit organizational interest. For an interest to become dominant it must enjoy significant patronage of an organizations' top management cadre; without significant management support, an interest will not be dominant. Hence, management is a key device for affording dominance to an interest.

Notwithstanding that dominant interest prioritizes management focus and defines present organizational interest, recessive or latent organizational member interest could influence the degree to which organizational resources, policy, priority, orientation, motivation, and action are reflective of the dominant interest as projected by the management; this is mostly revealed by the degree to which organizational member's interest (i.e. recessive or latent; an interest that is not given significant management support) aligns or misaligns to the dominant interest.

In situations where members of the top management cadre are supporting diverse interests that influence the interpretation, exploration, and utilization of the organizational resources, the dominant interest becomes the interest with the overriding perspective through which decisions are made per time. Nonetheless, divergent interest blocks may compromise to create a synergist alignment for an interest that optimizes organizational interest.

The quest to attain dominant status by diverse interest blocks and the dynamics for gaining significant managerial support for such interest may create an unofficial hierarchy and activities of politics for advancing interests. When a conflict exists between managerial support for diverse interests, the cautious and most stable platform to de-escalate such conflict will mostly be to establish the explicit organizational interest.

### **MANAGEMENT ROLE**

The management in an organization has the mandate to optimize organizational interest, and they are the platform on which organizational interest can be accurately interpreted and executed. The management also serves as a reference in evaluating the priorities given to organizational interest; hence, a significant influencing factor on the extent to which organizational interest can be optimized. Management as individual employees may independently possess interests that may align with organizational interest; management interest may also be influenced by the interest of the organizational members. The disposition of the top management to certain interests (i.e. competitive, legitimacy, tactical, cultural, strategic, resource, self-actualization, etc.) may be a function of their experience, association, stakeholders' influence, altruism, rationality, and expectations.

The interest supported and prioritized by a significant number of the top management cadre becomes the operating/dominant interest of an organization irrespective of its level of alignment to organizational interest; whether or not management interest is aligned to organization interest, the activities of its industry and the environment can relatively regulate and ensure their activities are not harmful to stakeholders. Management interfaces with all necessary resources in optimizing operating/dominant interest in an organization. Ethically, management prioritization and support should be anchored on the defined explicit organizational interest, but in contemporary organizational affairs, the boundary of ethics seems to possess lots of loopholes.

Management constitutes the governing body through which interests are validated. The application of managerial function is a reflection of the interest the management seeks to implement per time. Organizational management is indispensable in the expression of interest at a significant scale in any organization, and the optimization

of interest (i.e. organizational interest) is the defining essence of managerial mandates. Any interest that finds significant support and prioritization by the top management becomes the dominant interest through which organizational affairs are conducted. Hence, interest is essentially manifested in all managerial activities. Management executes organizational protocols and processes in the interest that they objectively or subjectively prioritize and support.

#### **ASSUMPTIONS OF MANAGEMENT BY INTEREST THEORY**

- i. All organization possesses an explicit interest.
- ii. Organizations' management as individual employees has an interest that may align with organizational interests.
- iii. All interests consciously or unconsciously seek dominance of organizational affairs.
- iv. The organizational members' interests and stakeholders' interests must have valid and significant support amongst the top management cadre to possess dominance and find expression.
- v. The extent to which organizations' interest is made a priority is dependent on the dominant interest; given expression by the top management cadre.
- vi. The dominant interest can redefine responsibility and possible level of commitment to achieving organizational interest.
- vii. The interpretation of organizational interest is most subjectively influenced by the dominant interest.

## **CONCLUSION**

In conclusion, management by interest theory as an organizational management theory redefines insight in organizational affairs and its discourse guides current organizational reality and relevance in their environment and continuous valid posterity. The management by interest theory connotes the default interest that presently defines an organization's protocol of engagement in its present and future activities. The management by interest theory by the dynamics in top management support and prioritization of interest also modifies its position to react or respond to current priorities and challenges in its environment. Organizational members' interest does not necessarily connote a negative influence on organizational interest; the degree to which their interest is aligned to optimizing organizational interest reveals the nature of such interest (i.e. positive or negative) to organizational interest.

Until an interest is officially enacted and approved as an explicit organizational interest captured in the organizational policy document, it is an organizational member's or stakeholders' interest irrespective of how noble its postulations are. Irrespective of the diversity of interest that aligns to propose, modify and approve a policy document as an organizational interest, once it has been approved, it ceases to be an amalgamation of organizational member's or stakeholders' interest and automatically becomes an organizational interest. The level of continued, satisfactory, and sustained commitment to organizational interest by organizational members is a function of organizational members' interest alignment level to the explicit organizational interest. The interpretation and commitment to organizational interest and responsibility is a reflection of organizational members' interest perspectives.

The dominant interest is capable of influencing the performance level of organizational members and ultimately the organization. The dominant human interest in any organization influences the interpretation of organizational objectives, policy, and culture. The dominant interest is mostly influenced by the significant support and priorities of the top management cadre; its scope influences the strategic advantages and disadvantages of an organization.

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