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**'Flexible' Social Governance:
Interrogating 1990s Business Restructuring Discourse**

by

Neil Gerlach, B.Ed., LL.B., M.A.

A thesis submitted to
the Faculty of Graduate Studies and Research
in partial fulfilment of
the requirements for the degree of
Doctor of Philosophy
Department of Sociology and Anthropology

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**'Flexible' Social Governance:
Interrogating 1990s Business Restructuring Discourse**

submitted by

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in partial fulfilment of the requirements for
the degree of Doctor of Philosophy

Chair, Department of Sociology and Anthropology

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Abstract

Within post-industrial North America, a new organizational ideal is emerging, premised upon the notion of 'flexibility'. It is a response to a market environment defined as chaotic and, therefore, a risk to society as a whole. One of the primary sites for the production and reproduction of flexibility discourse is the business community, where business intellectuals are currently producing a narrative of corporate survival dependent upon the end of bureaucracy and its replacement by flexible organization. Using this 1990s practitioner-oriented business restructuring writing as an avenue into business discourse, this thesis illustrates and analyzes how flexibility operates in corporate and larger social contexts.

This thesis employs Foucauldian governmentality theory to critically examine the control implications embedded within flexible organization as a power/knowledge system. When read as a genre, business restructuring literature discloses a set of cross-textually occurring discourses that structure flexibility as a discursive formation, including: entrepreneurship, learning, and decentralizing. Entrepreneurship and learning act together to define the organizational subject as a programmable cybernetic mechanism constantly adapting to market changes to continue producing value for the corporation. Decentralizing acts to represent the content of corporate organization as an informational electronic text while simultaneously defining the form of organization as based on semi-autonomous work teams. Managers in this context become 'leaders' rather than supervisors, visionaries rather than decision makers.

Despite promises of autonomy, self-fulfillment, and democracy within flexibility discourse, control persists, but in more subtle, implicit forms. The discourse draws heavily upon the political rationales of neo-liberalism with its implications of market control. It rejects the idea of a plurality of organizational rationales and posits flexibility as a paradigmatic form. While proclaiming the end of alienation and hierarchical oppression, these texts advocate structural arrangements which remove job protections and promote internal competition for scarce rewards, forcing employees to discipline themselves and each other more strictly than ever. In the end, flexibility discourse, as set out in business texts, has the effect of changing the role of the corporation from agent of social structure to model of social structure.

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I. Introduction

No one knows who will live in this cage in the future, or whether at the end of this tremendous development entirely new prophets will arise, or there will be a great rebirth of old ideas and ideals, or, if neither, mechanized petrification, embellished with a sort of convulsive self-importance. For of the last stage of this cultural development, it might well be truly said: 'Specialists without spirit, sensualists without heart; this nullity imagines that it has attained a level of civilization never before achieved.' -- Max Weber¹

This passage from Weber is much quoted in studies of bureaucratic management, but as with all prophetic utterances, it is subject to constant reinterpretation to match the times. Today, it seems more apt for the era of post-bureaucracy than for the bureaucratic society toward which it was directed, because currently, in business rhetoric, there is a sense of "convulsive self-importance" and historical transfiguration. Business intellectuals, who are in the process of discursively reconstructing post-industrial governance, are self-styled prophets, transforming discussions of corporate organization into a type of utopian futurism that promises to lead Western societies out of the morass of social, cultural, and economic decline.²

Out of this new corporate discourse, change, rather than a static ideal state of nature, becomes the basis for a new understanding of social reality. Individuals, freed from the alienating shackles of rationalized bureaucracy and Fordist state regulation, express their innate entrepreneurialism by participating freely and creatively in a fully marketized, informed, competitive, global society. Barriers between formal organizations and other social formations are broken down as the

latter adopt the structural characteristics of the former, and as work and emotional life are reunited to create a flexible, corporatized utopia. It is the end of history as the historical dialectic concludes, not through the ascension of the working class, but through the international triumph of liberalism and post industrial capitalism.

This emerging model of corporate social organization accompanies a number of economic and political shifts in the global arena including: the decline of the post war, corporate *Pax Americana*; the transnationalization of capital; the continual growth in the power of information technology; and the rise of New Right political movements within the core regions of post-industrial capitalism. Corporate participation in the global political economy has been well studied, but generally within the confines of four primary questions:

1. What are the socioeconomic implications of the increasing influence of corporations on political and economic policies of the state (for example Marchak, 1991)?
2. How are the integrative structures between local and global markets changing and what are the impacts on local populations around the world (for example Bryan, 1994)?
3. What is the nature of consumer culture and how are corporations involved in creating cultural practices around consumption habits (for example, Keat Whiteley, and Abercrombie, 1994)?
4. How is information technology involved in creating a new panopticon within corporate space (for example, Zuboff, 1988)?

Each of these questions addresses a particular material formation or practice in which corporations are implicated, but critical sociologists have tended to neglect the changes in *meaning* that are a part of the 'corporatization' of the social. Structural changes have occurred along with discursive alterations in understandings of

governance and the role of the state. I argue that the cumulative effect of these structural and discursive shifts over the course of the 1970s, 80s, and 90s has been the gradual centring of the corporation within the sphere of social governance, as the discourses of business elites direct social transformation toward the continued enhancement of the capitalist project. This centring is accomplished not so much by the corporate assumption of governmental authority, but, more fundamentally, through a discursive change by which corporations become a paradigmatic exemplar of all types of social and political organization.

1. Business Restructuring Literature

My entry point into the study of new business discourses of organization is the genre of American business restructuring literature. This is a key site for the production of new organizational knowledge, which is produced by business intellectuals -- consultants, executives, and business school academics -- and directed at both corporate practitioners and a more popular audience. Although business restructuring literature is largely an American genre, it is widely read throughout the English-speaking world and beyond. The genre includes bestsellers such as Thomas Peters and Robert Waterman's *In Search of Excellence* (1982), Michael Hammer and James Champy's *Reengineering the Corporation* (1993), and Peter Senge's *The Fifth Discipline* (1994), and has been influential in defining the direction of organizational innovation since the early 1980s. Partly because of its commercial nature, partly because of its apparent faddishness, and partly because it is embedded in industry,

social scientists are often dismissive of any potential contribution of the study of these texts to the understanding of organizational processes and theory (see, for example, Clarke and Newman, 1993; Willmott, 1993). Ironically, while critical social scientists ignore the textual and discursive productions of business intellectuals, the latter have, in some ways, replaced the former as framers of public discourses about corporate and other types of institutional organization in North America.⁴

Although business restructuring writing does not entirely share the generic purposes of the social science literature of organization, its importance lies not in its ability to adequately theorize organization, but rather in its definitional role. It is a site of knowledge production, a very powerful knowledge which is an expression of the understandings and desires of corporate elites concerning corporate organization, transformations in work and management, and the nature of the relationship between the corporation and the rest of society. In addition, unlike current social science literature on organization, business restructuring literature is producing a very coherent and uniform discursive formation defining an ideal-form of organizational structure and process. For these reasons, this writing serves as an ideal 'window' into current business discourses and their power effects. It is in their role as exemplars of an increasingly stable and influential power/knowledge system that I interrogate these discourses.

2. Interrogating the Literature

In this thesis, I wish to examine the discursive formation around current

practices and rhetoric of corporate restructuring. Given that structural and discursive changes occur in conjunction with one another, contributing to, and drawing upon, one another, discourse and material practice cannot be separated in 'reality' but, for analytical purposes, I focus on the meaning-making element of restructuring through examination of business restructuring texts. To address the issues involved in this project, I ask a series of illustrative and critical questions of the texts.

Illustrative questions involve describing the underlying processes of meaning-making within the genre and surfacing the common elements of the discursive formation that occurs cross-textually. There are two primary illustrative questions asked of the texts.

a. How does the genre operate?

As a genre of cultural production, business restructuring literature has certain common characteristics that shape its textual practices. There are, of course, individual textual variations and exceptions, but certain patterns can be identified across the genre. To identify these patterns, one must first ask, who produces the literature and toward whom is it directed? Although the texts are produced and read within the business community, they have a broader appeal, often finding their way onto North American nonfiction bestseller lists. This illustrates a certain cultural resonance outside of the intended genre community.

What is the purpose of the literature? I do not impute intentionality to centred subjects as authors of these texts, but rather, I suggest that business restructuring

literature, as an intertextual genre, is directed toward problem-solving, and as such, is a prescriptive literature, rather like self-help literature but directed toward organizational rather than personal ills.

Who is privileged within the genre and who is excluded? Increasingly, since the early 1980s, social science organizational experts have been excluded as intertextual sources, as the genre community producing this literature develops its own authorities and discursive formations; one rarely finds any social science references in the texts of the 1990s. Today, authorities are almost exclusively business intellectuals and business journalists, with a resulting loss of any sort of critical reflexivity concerning the relationship between corporate practices and the wider social sphere.

b. What are the genre's discursive characteristics, historically and in the 1990s?

What are the intertextual precursors to the business restructuring genre? This is an important question because the manner in which the problems of the 1990s marketplace are set within the genre flows from the problem-setting/problem-solving formulations of earlier writings. I limit my historical research to the beginnings of practitioner-oriented corporate culture literature of the early 1980s, arguing that this marked the beginning of a new genre of business writing involved in the production of remedies for specific types of organizational problems and prescribing solutions to social problems through corporate action.

These concerns have remained constant into the 1990s as the solution to

business problems has shifted away from manipulation of 'culture' toward creation of organizational 'flexibility'. A common model of organizational structure and process is emerging in the literature. What are its characteristics and what do they mean for present and future understandings of organization and work?

After illustrating the characteristics of business restructuring literature and the discursive formation of flexible organization which it prescribes, I critically examine the control implications of this model of organization. This leads to a methodological problem. Although my analysis is informed by sociological theory, business discourses cannot be entirely evaluated according to the rationales of critical sociology. Instead, sociology must be viewed as a rival knowledge system which indicates certain directions from which the critical reader can transgress business texts by suggesting alternate interpretations. Keeping this in mind, I ask two primary critical questions of the discourse.

c. How does control enter into this discursive formation?

Upon reading business restructuring literature, one finds that a notable absence from the surface rhetoric is 'control'. This provides an avenue for critique, based upon the assumption that corporate organizations, even flexible ones, will not relinquish managerial control entirely because of the risks posed by unfettered employee agency. How then is control reproduced in the emerging discourse? What forms does it take in an idealized organization where supervisory layers have been all but eliminated? What are the roles of managers within the flexible corporation and

'by what right' do they maintain their positions within the decentred corporation?

What risks are business intellectuals attempting to counter through current discursive constructions of organization? How are these risks constructed within business texts to formulate the solution of flexibility?

d. What are the governmental implications of flexibility?

Business intellectuals in the 1990s are quite clear about the importance they attach to corporations in terms of their social functions and I argue that the flexible corporation is a way of thinking about corporate organization that centres it as a model for all forms of social organization. It becomes a paradigm for social governance. What are the governmental implications of flexibility? How are corporate and social goals equated within the literature? How does flexibility translate into the social realm as well as the realm of social subjectivity? Here I must distinguish between 'government' and 'governance'. The former exists on the surface of the texts, consciously produced by business intellectuals in their descriptions of the social roles of corporations, both practical and ideal. The latter is an analytical rationale I import to the literature, a mode of reading and analyzing at a higher level of abstraction, imputing certain power effects to the texts beyond the surface level. It is the way of thinking about government, the meaning attached to it and the cultural definition of what it should entail.

3. Organization of the Thesis

My approach, then, to the question of the role of the corporation in post-industrial North America, differs somewhat from the general trend in sociological research. Rather than focusing on questions of political and economic influence, I will concentrate, instead, on the meaning systems arising through corporate discourse as embodied within the textual production of business intellectuals. In keeping with the dual purpose of this thesis, illustration and critique, the text is divided into two main, substantive sections reflecting those purposes.

First, chapters 2 and 3 outline the theoretical and methodological considerations and debates which form my vantage point for reading the business literature and critiquing its discursive structure. I draw primarily upon post-structuralist organization theory and Foucauldian governmentality theory as a basis for critical examination of the power/knowledge system under construction by business intellectuals. Methodologically, I construct the object of analysis, business restructuring literature, making a claim for examining it as a genre, and outlining three avenues from which to critique the literature including: the Derridean notion of reading from the absent, the conceptual framework of governmentality theory, and the treatment of critical social science writing as a counter-knowledge.

The second section of the thesis involves uncovering the discursive characteristics of business restructuring literature and setting the context for critique. Chapter 4 provides an overview of the structural context of business thought in the 1970s, 80s, and 90s. Here I draw upon sociological research which examines the

political and economic processes which have influenced and been influenced by corporate interpretations of the changing global marketplace of the past twenty years. I summarize these developments and point out the organizational responses of business executives, responses that have developed along with changing understandings of organization and management.

Chapter 5 examines the genre as a specific historical formation, addressing the question of how the genre began in the early 1980s and how the discursive characteristics and emphases have changed and evolved over time. I locate the origins of current discourses in corporate culture literature, trace the decentring of culture during the second half of the 1980s, and demonstrate how the concerns of flexibility emerge toward the end of that decade. This leads to chapter 6, in which I analyze the problem-setting discourse of the 1990s, drawing out the various concepts used to frame the problems of business in a particular way that directs solutions toward flexibility. The discursive formation of flexibility is a response to conditions that have been defined as risks by business intellectuals.

The next section of the thesis involves critically probing the three primary discourses that make up the discursive formation of flexibility. Chapter 7 explores the discourse of 'entrepreneurship' which forms the cornerstone of the new corporate model. It is a discourse aimed at disciplining social subjects by substituting social technologies of control with technologies of the self. Chapter 8 demonstrates how the second discourse, 'learning', provides a methodology by which the entrepreneurial subject can continue to be controlled by corporate management through a conflation of

corporate and personal goals. Chapter 9 involves interrogating the discourse of 'decentralizing' by examining the means by which corporations can be decentralized into teams through a representation of 'organization' that relies upon information technology. Within the flexible model, the agency of these teams becomes a risk which is countered by internal competition, removal of pay raises, and processes of team discipline.

Chapter 10 addresses the question of what becomes of corporate managers within the flexible model. Business restructuring literature is directed at upper managers who are in a position to induce change, but the discourse also reconstructs the roles of upper managers in significant ways and this must be addressed in some detail. Chapter 11, the conclusion, provides a summary of the main themes within business restructuring literature and my arguments concerning its meaning-making functions. In particular, I point out the governmental implications of flexibility and outline how the discourse appears in other social fields as well.

4. Contributions of the Thesis

Following upon a critical analysis of the discourses that construct the knowledge system in business restructuring literature, I reach a number of conclusions about the dominant meaning system emerging from the corporate sphere in the 1990s. Flexibility discourse occurs through the conjuncture of a number of material and discursive factors of the past thirty years in American corporations and society. The meanings attributed to 'change' have been framed in a particular fashion, evolving in

a reactive manner between the poles of entrepreneurialism/communalism and technology/nature, giving rise to a series of organizational representations which produce the flexible organization of the 1990s. Over the course of this evolution, the market environment has been consistently defined as chaotic, resulting in an increasingly forceful attack on bureaucratic organization and non-market governmental interventions. In their place, business intellectuals recommend flexibility.

Within business restructuring literature, 'flexibility' has a specific meaning and specific characteristics that occur cross-textually. These include 'entrepreneurship', 'learning', and 'decentralizing', which act together to discipline the organizational subject into market-based flexibility and define the organizational context as a field that requires certain types of intervention. Overt systems of control disappear from the surface of the texts but are replaced by more subtle forms of control embedded in organizational meaning and process. This allows for the characterization of flexibility as a liberating, democratizing force even as social subjects internalize corporate prescribed meanings and values. Socialization into corporate values extends beyond the business sphere into general society as the discourse claims universal applicability, making it a governmental force of general effect, and centring the corporation as the model of social governance.

In the process of reaching these conclusions, the thesis makes several contributions to the fields of discourse analysis, organization studies, and the sociology of power relations. These contributions are methodological, theoretical, and empirical.

Methodologically, this thesis identifies, constructs and demarcates a significant object of analysis for organization studies within sociology -- the genre of business restructuring literature. The selection of this research object addresses a longstanding gap in past research in the workplace which resulted from traditional research questions and epistemological assumptions about the nature of organization and power.

My analysis also explores the empirical relationship between text and discourse. Like most discourse analyses, this research is an experiment in method: there is no clearly defined monolithic approach to analyzing the discourses produced by texts. I have attempted to develop one that can be applied beyond the current research project. In particular, this method can be further developed to study Canadian business literature, managerial biography, policy documents, and other related genres of governmental texts.

Theoretically, this thesis explores the limits of Foucauldian analysis within sociology in terms of its application to questions of power and control within organizations. Despite the powerful critical tools made available by Foucauldian governmentality analysis, the tendency in sociology has been to analyze only structures which are homologous with the prison, the clinic, or overtly disciplinary institutions. Through my combination of the notion of control, borrowed from organization theory, with Foucauldian notions of governance, I identify and critique disciplinary authority which is no longer overt in the flexible corporation. My analysis attempts to do this without recourse to ideological analysis as is typically the

case in analyses of corporate organization. The resulting analysis complements more traditional approaches to organizational restructuring and allows for examination of another significant facet of that process.

Empirically, this thesis turns a critical eye to a highly significant site of power/knowledge. I identify a set of knowledge producers who are having a dramatic impact on shaping larger processes of governance and link the emerging role of these business intellectuals to larger control objectives within organizations and larger socioeconomic and political trends in 1990s North America. All social institutions are currently feeling the pressures of organizational restructuring and I have selected one site among many to critically interrogate the control implications for social subjects, organizations, and society. It is my hope that as one reads this thesis, one will experience a sense of familiarity with the language and discourse that is the object of study and welcome the critical tools offered by the thesis to 'unpack' these notions. There is something fundamental about the language of flexibility in post industrial North America; it is pervasive and will affect the shape of social governance well into the twenty-first century.

II. Control and Rationalization in the Postmodern Organization: Theoretical Perspectives

The spectre of Max Weber overshadows organization studies today as it has for most of this century. Many of the issues with which he engaged are still under debate - structure v. process, objectivism v. subjectivism. Most relevant is the continued concern over the central principle of Weber's work -- instrumental rationalization. Although current discussions around the term 'organization' are wide-ranging, I argue that there is a consistent undertone of concern over rationalization and control close beneath the surface of each. This is true whether the debate concerns modernist v. postmodernist definitions of organization, the definition of the organizational subject, or the processes by which organizations are implicated in the construction of cultural knowledge within society. These are the three broad areas of engagement in which I locate my work.

1. Interpretation in Organization Studies

In general, I work within a tradition of interpretive organizational studies. This implies a partial rejection of some of the precepts and purposes of more structurally-oriented organization studies which form the traditional approach to organization within sociology. The structural tradition dates back to the earliest days of sociology when Comte, who viewed the industrializing societies of nineteenth century Europe as organizational wholes, set out detailed specifications for the roles

of politicians, industrialists, and bankers, and the proper number of people per city (Cooper and Burrell, 1988: 95).

Since then, organization studies has come to focus more and more upon structural issues surrounding bureaucracy as the central organizational form of modernity. From Weber's illustration and critique of bureaucracy, through various academic and practitioner theories -- Taylorism, Human Relations, Neo Weberian approaches, Organizational Psychology, and others -- the emphasis of organization studies has tended to be on apprehending and categorizing structures of organization and organizational behaviour (Perrow, 1972: 164). Gergen asserts that this is a part of the modernist agenda of structural organization studies, characterized by four general characteristics: a revival of Enlightenment beliefs in the power of reason and observation, a search for fundamentals or essentials, a faith in progress and universal design, and an absorption in the machine metaphor (Gergen, 1992: 211). This line of inquiry continues today through Luhmann's (1976) general systems theory and through ongoing use of mathematical models of organizational behaviour (Lincoln and Kalleberg, 1990).

In the 1970s, 1980s and 1990s, however, structural organization studies have faced a growing critique as interpretive approaches emerge to question certain basic assumptions. Both organizational culture literature¹ and post-structuralist theory have suggested alternatives to the structuralist perspective on organizations. Gergen comments,

Why do we find it so congenial to speak of organizations as structures but not as clouds, systems but not songs, weak or strong but not tender

or passionate? Is it because organizations physically resemble one but not the other, that we somehow discern through the clamorous hurly burly something that is structural, but not cloudlike, systemic rather than rhapsodic, strong but not tender?... No, there is little sense to be made of the assumption that organization theories are read off the world as it is, inductively derived from our experiential immersion in a world of continuous flux. A far more promising alternative for understanding the intelligibility of organizations is to be found in the discursive context (Gergen, 1992: 207).

This is more than simply a rival theory; it is a critique aimed at the epistemological assumptions of traditional organization studies, and modernity in general. It calls for an injection of reflexivity into organization thinking by viewing theory as a discursive representation rather than a 'reality'-based model.

Using this critique as my starting point, I locate my work within the interpretive stream of organization studies. For the purposes of this project, it is important to adopt an interpretive and reflexive stance because I am analyzing a process of governmentality. Structural organization theory involves a process of evaluation by which strategy and practice are judged according to some standard of efficiency. This evaluative project is internal to the phenomenon of governmentality and, therefore, I must step outside of it. In this thesis, I am not concerned with the potential success or failure of a form of organization and, therefore, I cannot simply substitute one evaluative rationale for another under the guise of critique. Rather, I wish to interpret the power/knowledge implications of a discursively constructed representation of organization, through a process of interpretation.

As a label, 'interpretive organization studies' is a poor descriptor because of divisions within this body of literature. Currently, the primary division is between

'modernist' and 'postmodernist' approaches. Paul Jeffcutt (1994), describes modernist interpretation in the following manner:

... organizational interpretation has been an activity that has sought to take the complex and contradictory richness of organizational textuality and represented it as a meta-narrative (i.e. a meaningful account) which presumes to both reveal and manage the deeper structure of meaning that has been taken to underlie the apparent disorder of the organizational surface. Hence, text is here only meaningful as a surface manifestation which both obscures and gives access to a deeper truth or reality (Jeffcutt, 1994: 235).

Postmodern organization studies, on the other hand, is characterized in this way:

In contrast, postmodernism is concerned with the problematics of representation. Here the focus becomes the textuality by and through which a complex surface of difference is articulated (the strategies and tactics of ordering). Hence, for postmodernism, in Derrida's famous dictum 'il n'y a pas hors-texte', (there is nothing beyond or outside of the text).... In postmodernism, textuality is thus both a metaphor for the human condition ... and the only means through which the condition of humanity can be articulated (Jeffcutt, 1994: 238).

According to Jeffcutt, modernist organization studies is distinguished by a search for an underlying deep structure of reality, while postmodernist organization studies overturn the material/textual hierarchy and describe the material as textual. As a consequence, the focus of research shifts from answering problems to problematizing answers. The instrument for the textual construction of reality is discourse, which, according to Foucault, flows out of the intersection of power and knowledge. It is the social interactive means by which power is embedded within knowledge systems.

Non-critical approaches to discourse in organizations involve analysis of story

telling (Boje, 1991), speech exchange (Button, 1987), gossip (Keppler, 1987), clarity in written communication (Suchan and Dulek, 1990), and other forms of speech acts and narrative practices. This research tends to be practice-oriented and evaluative, concerned with how language-use creates, impedes, and enhances meaning. Its object of analysis is language rather than discourse. More critical, discourse-centred approaches foreground the power/knowledge nexus and it is from these that I draw theoretical inspiration.

2. Defining Organization

The first theoretical debate relevant to my research project is that which centres around the definition of organization. This is currently a debate between modernists and postmodernists/post-structuralists, but there are also divisions within each of these two broad approaches to organization. In the following section, I outline some of the characteristics of these positions.

a. Modernism

The starting point for modernist approaches to organization studies is the work of Max Weber, which is ironic because Weber did not work in this particular subdiscipline of sociology. Rather, he was interested in the large-scale historical process of rationalization and the form it takes in modern institutions, concluding that a 'legal-rational' mode of rationality was developing in the modern West. Weber's work was subsequently narrowed by organization theorists who, in the process of

operationalizing Weber's macro-level ideas, developed an over-structuralized view of organizations devoted to delimiting the organizational forms possible within modernity (Clegg, 1994: 151). Included within this theoretical development are earlier works that set the tone of much of the subsequent organizational research, including Blau (1955), Gouldner (1954), March and Simon (1958), as well as later work such as that of Donaldson (1986).

For Weber, rationalization, and the organizational processes by which it is achieved, are cultural processes of modernity. They involve an adoption of the Enlightenment project through the imposition of general laws of reason. The primary social consequence of this cultural process has been the elimination of 'non-rational' forms of life and a narrowing of possible modes of existence -- a gradual elimination of difference. Bureaucracy, for Weber, was both the primary organizational form of rationalization and a metaphor for life within modernity, due to its technical superiority and its inexorable spread to all areas of the lifeworld. From Weber's perspective, bureaucracy poses a potential threat to the 'humanness' of society. As a generalized form, it involves the extension of rational decision, as a criteria of social action, to all institutions. It is a means by which state power seeks to increase the efficiency of means and control over the processes of society and nature.

Currently, the major theorist who best represents the modernist position on organizational issues is Habermas with his theory of communicative action (1984). Habermas critiques Weber, arguing that rationalization is not an abstract and anonymous process of administration operating automatically through organizational

forms and rules. Rather, it is an ideology through which a ruling class seduces a population into abandonment of its class consciousness and communal rationality. In ordinary, everyday language, there is a natural reason, an instinctive communal wisdom, but this reason has been repressed by the instrumental language of organized systems. Through the language of the community, people can find the lost sense of reason and liberate themselves from the control of systemic logic (Habermas, 1984).

Habermas seeks to decode the repressive aspects of rationalization to find a means to liberate social agents who have internalized organizational goals. In Habermas' variety of critical theory, there is a distinction between 'system' and 'lifeworld'. System is similar to Marx's concept of 'forces of production' -- the material and technical features of social organization and the instrumental rationality that underlies them. Lifeworld is the 'taken-for-granted' world to which everyone naturally belongs through shared discourse and values. Social development in industrialized societies has involved the erosion of the lifeworld along with its communicative interaction which is the basis of social development. Instead, instrumental system values have colonized the lifeworld as systems advance to encompass and control all aspects of the social world.

Weber and Habermas are modernists in that they share a belief in a logical meaningful world based on reason; thinking subjects make themselves conscious of this external order of things through the exercise of reason. For Weber, the modernist subject is the organizational system, functioning on the basis of machine-like rationality, while for Habermas, the subject is the human actor or a network of

interacting actors who, through ordinary communication, reach a consensus of human experience. Habermas assumes an inherent social unity, and critiques the forces that fragment this unity or prevent its emergence. Debates around differing perspectives on the location of rationality within organizations and the possibility for emancipation from modernist rationalization continue today, but the weight of academic opinion has fallen on the Weberian side, largely due to the influence of postmodernism.

b. Postmodernism

Postmodernism and post-structuralism developed, in part, as critiques of meta-narratives such as those of Weber and Habermas.⁵ Postmodernism "stands for the death of Reason" (Power, 1990: 110). It rejects the epistemological foundations of the 'modernist' model of Reason as well as the ontological assumptions that underlie it. It rejects the unities of "representation, of meaning, of theory and ultimately of the self", all of which are assumed in the enlightenment view of reason (Power, 1990: 110-11). Implications for the definition of organization are profound and a number of writers have explored the impact of this epistemological stance on understandings of organization.

To date, the clearest statement of the implications of postmodern thought for organization studies has been that of Cooper and Burrell (1988). They begin by pointing out that the traditional object of organization analysis is the organization as bounded social system, with specific structures and goals, acting rationally through strategic decision-making.

Within this context, the concept of organization itself functions as a metadiscourse to legitimate the idea that organization is a social tool and an extension of the human agent, an 'auxiliary organ' by which man has become a kind of prosthetic God in pursuit of the *idea* of anthropocentric order (Cooper and Burrell, 1988: 102).

Like a computer, the organization programs itself to optimize the input-output ratio. Goals are set by the organization and action is motivated by these preconceived goals or purposes. Cooper and Burrell overturn the implied binary of theory/practice by viewing organization processes as *reactions* to situational factors which create a pressure to act. Practice precedes theory; organization is not a "structure of calculated actions" but rather, an automatic response to a threat or risk (Cooper and Burrell, 1988: 103).

The importance of Cooper and Burrell's conception of organization is in its incorporation of Nietzsche's notion of difference -- a type of self-reference in which terms contain their own opposites, making a single meaning impossible. Therefore, within discourse, the human agent faces an irreconcilable indeterminacy of meaning. Nietzsche viewed difference as an elemental force pervading all social relations. It is 'active' rather than 'reactive': binary opposites are co-dependent, each necessary for the definition of the other, as opposed to the modernist rationality which denies difference and reduces the active elements of knowledge and discourse. Reactive rationality hides the contradictions at the heart of human existence and establishes control over meaning.

All organized human activity is reactive -- it attempts to remove from view the fact that meaning is unstable and that one element of a binary always contains its

opposite. Therefore, the presence of organization implies the existence of disorganization. Unity means that division is possible. To understand organization, one must analyze it from outside of the reactive discourses that constitute it. One must analyze the production of organization rather than the organization of production (Cooper and Burrell, 1988: 106).

Echoes of Weber come through Cooper and Burrell's conceptualization of organization. It is a process rather than a structure and it functions to tame active, non-rational forces within society. Similar convergences with Weber can be found in Foucault's work. Burrell (1988) assesses the application of Foucault to organization studies to develop a discursive approach to the study of organization. He concludes that Foucault's notion of 'discipline' parallels Weber's bureaucratic mode of organization (Burrell, 1988: 232). In Foucault's terms, discipline is a technology of power by which human bodies are shaped into productive units and reduced as political units, while being circulated according to the dictates of power/knowledge systems.

Discipline produces subjected and practised bodies, 'docile' bodies. Discipline increases the forces of the body (in economic terms of utility) and diminishes these same forces (in political terms of obedience). In short, it dissociates power from the body; on the one hand, it turns it into an 'aptitude', a 'capacity', which it seeks to increase; on the other hand, it reverses the course of energy, the power that might result from it, and turns it into a relation of strict subjection (Foucault, 1979: 138).

Burrell argues that disciplinary power is the basis of contemporary social organization (Burrell, 1988: 226). Organizations are part of a web of power which pervades all social relations at all levels without any definable sources or centres.

Those who have more authority within society are not the sources of power because they, too, are subject to discipline. At the same time, resistance to power appears, according to Burrell's account of Foucault, to be relatively unproductive because power and resistance are two halves of a binary and resistance is internal to power and vice versa. Resistance simply shows power the spaces that remain to be colonized (Burrell, 1988: 227).

According to Burrell, Foucault's main contribution to organization studies is in the implication of his views concerning sameness and difference. The linguistic category of 'organization' attempts to reduce 'difference' to 'sameness' by implying that various organizations are part of a wider scientific category of 'organization'. Differences are falsely reduced while similarities are elevated, contributing to certain hierarchical relations within the disciplinary society. Categorization leads to normalization and homogeneity. Concurrently, it individualizes by making it possible to measure gaps, to determine levels, and to fix specialties. While viewing some organizations as being like others seems reasonable, such categorization contributes to the universality of discipline through the partitioning of different subject matter into neat, manageable, hierarchically ordered types (Burrell, 1988: 231).

Burrell argues that one can use Foucault's work to view organizations at two levels. At one level, organizations are different, each with its own complexity and contingency, and its own transitory manifestations of dominate-subordinate relations. Organizations, at this level, are "episodic and unpredictable manifestations of a play of dominations" (Burrell, 1988: 231). In other words, organizations are unlike in

terms of surface features. At another level, however, they all share the underlying organizing principle of disciplinary power.

To date, Burrell's discussion of Foucault is one of the most comprehensive applications of that work to organization studies. One issue that needs further development in applying Foucault to issues of organization is the question of control. While Burrell accepts the absence of control implied by Foucault's discussion of the ubiquitous nature of power, that perspective is problematic for organization studies because of the purposive nature of organizations. Organizations exist to harness effort toward particular ends. This implies that workers be regulated toward those ends. Management structures exist partly for this purpose and the analyst must ask how these managers are invested with power and how they exercise it in the form of control. These questions will be addressed throughout this thesis.

Another post-structuralist drawn upon by organization theorists is Derrida, whose contributions to organization studies have been well-summarized by Cooper (1989). In his work, *Of Grammatology* (1976), Derrida views language as a material structure of marks and sounds upon which meaning must be imposed. He begins with the notion that traditional ways of thinking are structure-biased and incapable of revealing the nature of process. Derrida's task has been to reverse this bias and demonstrate that process is primary to structure. Cooper identifies three main principles important for an understanding of Derrida's project: deconstruction, writing, and difference.

Deconstruction is a method to reveal the ambivalences latent in any text.

Language is usually perceived as a vehicle for the communication of thought, a belief that Derrida terms 'logocentrism'. This perspective on the relationship between language and thought makes structure appear as though it has an essential metaphysical centre, assuring stability. Deconstruction aims to reveal this metaphysical centre and demystify it through the overturning of hierarchical binaries and examining how opposing terms define and inhabit one another.

Writing is the process by which human agents inscribe order onto their environments. In Western thought, speech is viewed as a reflection of the mind and writing is perceived as a reflection of speech. Derrida overturns this logocentric conception and asserts that writing takes precedence over speech. Consciousness is not a direct perception of the outside world, but rather, results from reflecting upon what is inscribed through writing. Later ideas or experiences take precedence over what was initially present.

Differance describes the binary structure of the human world based on the idea of division. Through division, binary opposites are separated but also joined together into an undifferentiated state. Division is the sharing of a whole between two terms in a continuous process of differentiation or active alternation. It is the process by which meaning shifts back and forth between two parts of a binary.

According to Derrida, writing is primarily a form of control, with communication being a secondary priority; the control aspect of writing makes it central to organization analysis. Through writing, organizations and the objects of their attention are constructed by social actors. Organizational literature traditionally

presents as a 'reality' the idea that the organization is "a cultural object which is the product of a prior model" (Cooper, 1989: 495). Such approaches are confused by a 'metaphysics of representation' which prioritizes a taken-for-granted model that 'represents' organizational reality (Cooper, 1989: 495). The object is constructed through the application of a theory to the real world and the constructed object exists only in relation to this theory.

Dorothy Smith reaches similar conclusions to those of Derrida by focusing on the role of organizational texts in constituting social knowledge. Like Derrida, Smith views the process of social knowledge as a product of inscription where events and objects are *first* produced in documentary form and later, those textual constructions become factual reality as the written text supplants the 'real' object as the object of knowledge, and is found to have always existed, just waiting to be discovered (Smith, 1984). Organizations are socially organized practices of documentary construction. Processes of formal organization work to provide administrative knowledge independent of individual subjectivities. The structure of this knowledge, even if not its content, is known prior to the knower's entry into a relationship with it. Therefore, the relationship between knower and known has a determinate structure and this structure is grounded in the class structure (Smith, 1974). Social facts are objectified knowledge, defined by a ruling class, and organized into an ideological framework which reproduces certain ways of knowing. The subjectivity involved in constructing facts is made to disappear, and is cast in opposition to that which is objectively known.⁶

Cooper and Burrell, Foucault, Derrida, and to some extent Smith, view organization as a social process which operates according to reactive principles to provide forms of automatic social control. This is achieved through the suppression of difference and indeterminacy of meaning, and the elevation of sameness and logocentrism. The end result is rationalization, as human beings are processed into subjectivities and discourses of sameness and stability through the machinery of social organization. Like Weber, these authors view rationality as ultimately lying in the process of organization, rather than in any particular management elite or other organizational actors. The implication of this insight for an analysis of the production of organizational knowledge is a decentring of authorship. Organizational knowledge is not a product of the inner thoughts of experts, but rather a cultural and historical product upon which organizational experts draw when constructing discourses that provide meaning to organizational processes. One of the purposes of this thesis is to uncover some of the underlying assumptions that inform new discourses of organization.

3. Organizational Control

A second area of debate in the sociology of organizations is the issue of control, the primary issue in this thesis. What is the nature of control in the contemporary organization? How complete is it? Is there room for resistance? Is there a desire to resist? Control is an inseparable element of rationalization, an essential requisite for the advancement of instrumental rationality. For critical social

scientists, unlike business intellectuals, the question is not "does control exist?", but rather, "what form does it take?".

For Foucault, power is a highly abstract concept that does not refer to the mechanisms that ensure subservience nor to a general system of domination exerted by one group over another. Instead, power must be understood as "the multiplicity of force relations" inherent in a given setting (Foucault, 1990: 92). It is a field that pervades all relations within a society and cannot be reduced to an institutional structure or an object to be acquired, held, or shared (Foucault, 1990: 93-4). As such, Foucault's conception of power seems almost equivalent to the concept of social relations. It is inseparable from the configuration of relations that constitute a society.

In analyzing relations within organizations, however, one finds that there is a structure of power present, established by both formal and informal rules. Most organizations are purposive; they have a goal toward which the efforts of their members are directed and some organizational members are better placed to direct those efforts than others. How should this situation be characterized if not as a matter of direct power, invested in certain subjects and groups? Power works at a number of levels and Foucault's view of it operates at a very abstract level. Therefore, it is not adequate by itself in analyzing organizational processes and it is at this point that I diverge from Foucault's approach to power. One must identify other means of conceptualizing power within organizations and for this purpose, I employ the concept of 'control', which is the means by which power, in the Foucauldian

sense, is channelled through particular agents to achieve certain regulatory effects. Here, I am maintaining Foucault's view of social power as an abstract field of relations, but within particular institutional settings, power, in the form of control, becomes something more concrete, operating through two primary processes -- authority and technique.

a. Authority and Technique

Weber (1978) argued that 'authority' is the concept behind control, defining authority as the legitimate exercise of imperative control. Imperative control is a situation in which commands yield a high probability of obedience (Weber, 1964: 152-153). Authority does not rely upon coercion or persuasion, but rather, is achieved through belief in a hierarchical order where command and obedience are accepted as proper.

According to this model, those who are situated within the hierarchical order assume the legitimacy of the order as a moral fact. As political anthropologist, David Kertzer, points out, for group order to be legitimate, it must invoke a source beyond the authorities themselves -- God, nature, tradition, a great event, and/or belief in the group (Kertzer, 1988: 37). As long as members of the hierarchy believe in the transcendent values from which the ranking rules are derived, the order will be meaningful and acceptable to them. Authority is a matter of faith in a common belief system which enough people accept enough of the time for the system to maintain its hierarchical structure.

Authority, by itself, has never been enough to ensure automatic obedience and loyalty from workers. Shoshana Zuboff asserts that belief in authority, the "spiritual dimension of power," must be "renewed in daily experience in order to heighten the probability that commands will elicit obedience" (Zuboff, 1988: 313).⁷ Authority must continually work to shape organizational experience in ways that reinforce legitimacy. Command is vulnerable to changing values and changing experiences, which can undermine shared meanings. When authority seems fragile, managers look to another source of power, its material aspect, which Zuboff labels "technique".

Techniques of organizational power concern the concrete organization and practices that shape and control behaviour for the benefit of those who employ technique. In the workplace, these include monitoring, surveillance, detection, and record-keeping, as well as the physical layout of the workplace which regulates the relationship between the body and the work space. Many current organization writers adopt Foucault's metaphor of the panopticon to describe organizational discipline. In particular, information systems which translate, record, and display employee behaviour are described as computer age versions of universal transparency. These information panopticons can continuously record almost anything their designers wish. They are a one-way mirror with the potential to regulate worker behaviour to an unprecedented extent, translating this involuntary display into text, which induces conformity in employees.

Zuboff and other writers who employ the panopticon metaphor are perhaps too focused on the role of electronic technology in disciplining employees.⁸ Arguably,

the panopticon model of electronic technique has been superseded by a model based on social technology. Rather than viewing information technology as an instrument used in an overt manner to observe and record employee behaviour, it is more fruitful to view its role as that of a *model* upon which workplace organization is based.

Robert Castel argues that direct surveillance is no longer the dominant strategy of administration, but rather, administration seeks to establish "flows of population" based on collation of a range of abstract factors thought liable to produce risk (Castel, 1991: 281). Castel argues that the shift in administrative functioning is made possible by a dissociation of the concepts of danger and risk. Danger no longer arises from an identifiable danger embodied in a concrete individual or group. Instead, it is the effect of a combination of abstract factors which makes probable the occurrence of undesirable behaviours. The result is preventive policies which promote "systematic predetection", removing the need for actual presence, contract, and the reciprocal relationship of watcher and watched.

Instead of segregating, eliminating, or reintegrating those defined as marginal or unprofitable, systematic predetection assigns to individuals different social destinies according to their capacity to achieve the standards of competitiveness and profitability. This, then, is the most important function of the computer in post-industrial, neo-liberal societies; it provides a model for social organization. Society is conceived as a set of circuits in which social subjects, who have been coded as sets of characteristics, are circulated along prescribed paths. In such a society, efficiency, rather than surveillance, becomes the primary mode of discipline (Castel, 1991: 295).

In this form of social administration, technique involves coding rather than surveillance; it is incorporated into the processes of social positioning rather than organizational structures of command.

b. The Organizational Subject

What is absent from much of the writing about organizational control is an adequate conception of the subject. This was certainly true of older literature but is also true of much of the more recent work. Beniger (1986), Zuboff (1988), Burawoy (1990), Beck (1993), Watkins (1993), and many others, discuss the labouring body, the psychological subject, and the political subject of labour process, but do not address the constructed nature of subjectivity within organizational discourse. This absence is due largely to paradigmatic choices and constraints, but as Deetz states: "The primary force of domination can no longer be seen as economic exploitation with false consciousness providing its excuse but can be conceptualized as the arbitrary, power-laden manner of 'world', 'self' and 'other' constitution" (Deetz, 1992: 22).

Deetz's perspective shifts attention to the politics of meaning construction. Through an understanding of discourse as power-laden rather than neutral, one can see the sites of power deployment and concealment in and around organizations. Some writers such as Alvesson (1991), Mumby and Stohl (1991), and Barley and Kunda (1992) develop new conceptions of power in organizations, but ultimately fall back to the dominant ideology thesis, isolating dominant agents who are somehow

extra-discursive. In this formulation, discourse is produced by observable material forces and becomes fixed as a material sign located in a linguistic or institutional configuration. Discourse is reduced to ideology.

The limitations of this type of analysis are addressed by Foucault with his concept of disciplinary power. Power is inseparable from knowledge rather than creating it. Power and knowledge intersect in the production of the human subject, and in the context of modernity, discursive practices function as a form of discipline. Discourses are institutionalized bodies of knowledge which establish regimes of truth; they act to objectify social subjects by treating them as bodies upon which various disciplinary practices can be exercised. At the same time, they subjectify social subjects by inducing self-recognition as a social member whose identity is constructed in a certain way. Within modernity, discipline is a form of power which acts to inscribe rationalized modes of practice on the bodies of social subjects. It enforces a set of entrepreneurial values of self-regulation as described by Ewald:

To conduct one's life in the manner of an enterprise indeed begins in the eighteenth century to be a definition of a morality whose cardinal virtue is providence. To provide for the future does not just mean not living from day to day and arming oneself against ill fortune, but also mathematizing one's commitments. Above all, it means no longer resigning oneself to the decrees of providence and the blows of fate, but instead transforming one's relationships with nature, the world and God so that, even in misfortune, one retains responsibility for one's affairs by possessing the means to repair its effects (Ewald, 1991: 207).

Discipline internalizes regulation of the self while enhancing the productivity of the social subject, or, to state it another way, it minimizes political productivity and maximizes economic productivity.

Two major discursive processes are involved in constructing the late twentieth century social subject as entrepreneurial. First, as Colin Gordon points out, neo-liberal politics redescribes the social as a form of the economic. This has occurred through a series of redefinitions and extensions of the object of economic theory. Economics becomes an 'approach' capable of describing 'choice', from individual choice to corporate and state choice (Gordon, 1991: 43). This vision of the principles of governance is connected to the notion of the individual as enterprise. The idea of one's life as the enterprise of oneself implies that there is a sense in which one is continually employed in that enterprise. It is part of the 'business' of living to make adequate provision for the preservation, reproduction, and reconstruction of one's human capital (Gordon, 1991: 44).

The second element involved in the construction of the entrepreneurial subject is what Ulrich Beck (1993) characterizes as a process of 'individualization'. Social subjects, 'liberated' from traditional identity-constructing social relations such as family, community, and class, must construct their own biographies. Along with this comes a personalizing of the concept of social risk where individuals, who must live as entrepreneurs of the self, can be blamed for social problems. Individuals within this "risk society" are under greater civic pressure to moderate the burden of risk which they impose upon society.

Individualization in this sense means that each person's biography is removed from given determinations and placed in his or her own hands, open and dependent on decisions. The proportion of life opportunities which are fundamentally closed to decision-making is decreasing and the proportion of the biography which is open and must be constructed personally is increasing.... Decisions on education,

profession, job, place of residence, spouse, number of children and so forth, with all the secondary decisions implied, no longer can be, they must be made (Beck, 1993: 135).

The result is that "[a]t the same moment as he or she sinks into insignificance, he or she is elevated to the apparent throne of a world-shaper" (Beck, 1993: 137).

What is the role of the corporation in this model of subjectivity? Gordon argues that the need to maintain order in the sphere of production induces the liberal state to delegate regulatory oversight and power to the employer, thereby conferring the *de facto* force of public law on the private jurisdiction of the corporation. Business organizations do not lie outside of the sphere of public order but maintain that order by producing docile social subjects through the processes of organization (Gordon, 1991: 26-7).

However, there is more to management discourse than simple functional responses to, and legitimations of, economic needs, established political forces, or existing social interests. Managers are not simply agents of hegemony. In their analysis of Taylorism, Miller and O'Leary (1989) demonstrate that this particular management discourse and practice was motivated by more than the need to coordinate work in large corporations and more than the need of capitalists to increase control over the workplace. It was part of a wider complex of political programs that worked to use scientific principles to increase societal efficiency by making the most productive use of material and human capital. As Rose points out, Taylorism attempted to accomplish this goal by focusing attention on individual subjects:

Taylorism was also part of a new attention to individual differences among persons, seeking to know them and managing them from the

perspective of social and institutional goals and objectives, an attention that enmeshed the individual within a complex of calculative practices. And it was the first of many attempts to bring the internal life of the enterprise into line with the values of democracy, providing a legitimacy for management by giving it a rational basis and according it the capacity to eliminate waste and thus promote the national interest (Rose, 1989: 59).

As I will argue later, these are the same goals and rationales used by current management experts.

To some extent, choices are made by corporate managers, consultants, and technical experts who are armed with their own social, economic, and managerial science. They are, in a sense, the 'organic intellectuals' of the corporate order. Their power, however, is not a simple, monolithic extension of class politics. They themselves are constructed subjects, guided by the cultural logic of rationalization. They, too, are located within a field of power, rather than outside it, although they are more favourably placed, due to the authority structure of the business sphere, to channel social power in the form of control. This control is more than the ability to physically compel employees to work for others; it manifests itself more abstractly, through shaping knowledge in such a way as to produce social arrangements that appear necessary and unproblematic, based on order, forgetfulness, and dependency. Power is an abstract force not 'possessed' by individuals or groups, but it can be channelled through structures of authority and technique in the form of control, to which individuals have differential access.

In all societies, at all times, people have been subject to public regulation through conventions, norms, obligations, and surveillance. But as Rose points out,

the modern self is distinctive in at least three ways:

i) The personal and subjective capacities of citizens have been incorporated into the "scope and aspirations of public powers" (Rose, 1989: 1). *Subjectivity* enters into the calculations of political forces. Governing institutions have developed policies and bureaucracies to regulate the conduct of citizens by acting upon their inner tendencies.

ii) The management of subjectivity has become a central task for the modern organization. "Organizations have come to fill the space between the 'private' lives of citizens and the 'public' concerns of rulers" (Rose, 1989: 2).

Organizations involve the calculated management of human forces and powers in pursuit of the objectives of the institution. Managers must attend to the subjectivity of the employee in achieving their objectives.

iii) Modernity has seen the birth of expertise in subjectivity and intersubjectivity. New professional groups have developed to classify and measure the psyche and group interaction, predict their tendencies, diagnose troubles, and prescribe remedies.

There are two primary results of these developments. The first is a new language for framing, understanding, and evaluating ourselves and others, changing the way we interact socially. "Our thought worlds have been reconstructed, our ways of thinking about and talking about our personal feelings, hopes, ambitions, and disappointments. Our techniques for managing our emotions have been reshaped. We have become intensely subjective beings" (Rose, 1989: 3). The second is a form

of governance based on viewing the tasks of decision-makers in terms of a calculated supervision and maximization of the forces of society, using actuarial technologies to define and regulate the social body. These abstract calculations, concern over maximization of human capital, and development and diffusion of a language oriented toward these concerns has, in the end, a rationalizing effect on social subjects, contributing to the enhancement of control within society. Business intellectuals are highly instrumental in this process.

c. Resistance

Given the nature of subjectivity at the end of the twentieth century, a question immediately arises as to the potential for effective resistance to managerial authority and disciplinary subjectivity? Have we achieved Weber's "iron cage" of bureaucratic rationality with its attendant loss of the desire to resist, or are there still grounds for opposing the cultural logic of rationalization as it has been embodied over the past century?

The answers to these questions must be mixed. Critical sociology has always been motivated by a humanist project, guided by an underlying utopian ideal of personal liberation and social cooperation. To baldly state that there is no longer any hope of achieving these goals runs counter to the ideals of social science. However, in North America, at the dawn of the twenty-first century, the prospects for effective resistance seem grim for the foreseeable future. Widespread discourses of disciplinary subjectivity, derived from market rather than communitarian principles,

combined with material factors such as recessionary economics, a declining middle class, increasing unemployment, continuing automation, and loss of union strength, create a climate of desperation and complicity rather than widespread, organized opposition. Why is this the response?

As Beck (1993) argues, there has been a cultural shift in definitions of the subject and his or her relationship to society in the late twentieth century.

Particularly since World War II, modernization has dissolved the traditional parameters of industrial society: class culture and consciousness, gender roles, and family roles. Entry into the modern labour market negates collective identities which contradict the need for individual mobility required by the labour market.

Individualized forms and conditions of existence arise and compel people, for the sake of their material survival, to make themselves the centre of their own planning and conduct of life (Beck, 1993: 87-88). Therefore, individual situations are entirely dependent upon the labour market. They are the extension of market dependency into every corner of the lifeworld -- the capitalization of the meaning of life.

In the resulting ego-centred world-view that individuals must develop to capitalize individual opportunities, it is difficult to form workplace solidarity with others around a permanent, shared identity, such as with working class associations, or to follow a single pattern for organization. Rather, people form alliances around particular situations and issues. These are factional, pragmatic alliances, formed during the individual struggle for existence. They are also temporary in nature with the exception of organization around ascribed characteristics such as race, gender.

ethnicity, age, sexuality, and disability (Beck, 1993: 100-101).

In such a situation, organized workplace resistance to disciplinary discourses, social technologies of control, and electronic technologies of surveillance and informing, is difficult to form. Complicity in the workplace of the 1990s becomes at least as common as resistance. However, it is often a complicity tinged with an element of irony as demonstrated by Ann Game (1991) and Rosemary Pringle (1988) in their case studies of secretaries in white collar offices. Here, women who are in an oppressive work environment carry out their tasks but refuse to accept the authority of managers as a natural right. They have not accepted the definition of the situation and their redefinitions may be viewed as a form of resistance, at least to the internalization of management discursive constructions.

This is not to say that there is no resistance in the restructured corporations of the 1990s. Where there is power, there is resistance. I argue, however, that it is disorganized and not institutionally effective. It must be re-theorized in post industrial North America. Notions of labour organization and counter-hegemony are no longer in keeping with the situation of the contemporary workplace: they assume a class culture and class consciousness which has all but disappeared.

Resistance in the 1990s is better described as *tactics* of resistance rather than *strategies* of resistance. I borrow these terms from Michel de Certeau (1984) who, in discussing social power, distinguishes between "strategies of control" and "tactics of resistance". Those in positions of control, the 'authors' of social structure, dominate through strategies of control:

I call a *strategy* the calculation (or manipulation) of power relationships that becomes possible as soon as a subject of will and power (a business, an army, a city, a scientific institution) can be isolated. It postulates a *place* that can be delimited as its *own* and serve as the base from which relations with an *exteriority* composed of targets or threats (customers or competitors, enemies, the country surrounding the city, objectives and objects or research, etc.) can be managed (de Certeau, 1988: 35-36).

Strategies are based upon the use of space, a space which has been isolated from an all-encompassing social environment. By removing oneself from the social environment, one gains a degree of autonomy which allows one to capitalize acquired advantages, prepare for future expansions, and manage risk. In this way, an entity, such as a corporation, achieves some independence from the variability of circumstances and can control for the eroding effects of time. Establishment of a social space achieves mastery over time (de Certeau, 1984: 36).

Three types of spaces are involved in strategies of control: social, theoretical, and physical. Social space is the "property of a proper" -- a legitimated situation within the social structure. Theoretical space is a totalizing discourse which serves to legitimate social space. Physical spaces are the places in which forces of power are distributed. Through the combination of these spaces, power groups attempt to reduce temporal relations to spatial ones through the analytical attribution of a proper place to each particular element within a social situation. Through use of these strategies, the powerful hope to resist the undermining effects of time.

In contrast, those who are excluded from the spaces of power must resort to "tactics" of resistance which de Certeau describes in the following manner:

By contrast with a strategy ... a *tactic* is a calculated action determined

by the absence of a proper locus. No delimitation of an exteriority, then, provides it with the condition necessary for autonomy. The space of a tactic is the space of the other. Thus it must play on and with a terrain imposed on it and organized by the law of a foreign power (de Certeau, 1984: 36-37).

The powerless do not have the resources necessary to establish an autonomous space separate from the surrounding social environment. They must live their everyday lives as a part of that context. Separation from the environment is a prerequisite to planning a general strategy because it allows one to create one's own environment within which to plan, build, and find a degree of independence from the variability of circumstance in the larger social, political, and economic environment. Autonomous space is a position from which to establish relations with an exteriority, with the other, and therefore, to manage the other as an observable, measurable set of targets and threats. It allows one to develop knowledge about others from a vantage point outside of an all-encompassing environment shared with others. Consequently, the powerless do not have the option of utilizing strategies of control. They have no space of their own from which to gain autonomy from others within an imposed environment. They are subject to the vagaries of circumstance because they cannot order space. Nevertheless, they continue to resist the strategies of the powerful through tactics of resistance.

Tactics function in isolated actions which take advantage of opportunities within the space of the powerful. The powerless have no base in which they could stockpile winnings and plan future raids. They cannot keep what they win; they do not establish a space of their own. A lack of space gives tactics great mobility but

also ensures that they must seize chance offerings and must use the cracks that appear in the "surveillance of proprietary powers" (de Certeau, 1984: 37).

Tactics do not rely on space, but rather on time. They seize upon an instance which can be transformed into a favourable situation; they move rapidly to change the organization of a space when possible. Tactics play with the foundations of power, using ruses, games, and poaching to resist the discipline insisted upon by strategies of control. As networks of domination become more tightly woven and totalitarian, leaving the powerless less and less room in which to mark their activity, they must resort to more and more ruse-like activity, utilizing for their own ends, the products and systems imposed upon them.

There are two types of power in de Certeau's formulation: spatial and temporal. Those outside of strategies of control have temporal power, manifested in the ability to disrupt the smooth operation of the spatial power of control. However, the guerilla tactics of resistance are not community-forming tactics. They are exercised at the individual level by individualized employees and are primarily symbolic of a rejection of the theoretical space of employers, their authority. The *place* of work, the physical space, remains intact and strictly controlled. De Certeau simplifies the situation by characterizing resistance as a simple struggle between oppressed and oppressors. There is no hint of conflict *between* groups of oppressed persons or of complicity between certain employees and management.

4. The Nature of Social Power

The third broad area of debate with which I engage occurs over questions of the relationship between social organization and the state. Once again I begin with Weber, who argued that an idealized form of bureaucracy is the model of social organization in the rationalized state of modernity (Weber, 1978). More important than the specific characteristics of bureaucracy in understanding legal-rational domination, is the form of power it represents -- an abstract and anonymous process of administration engendered by the rules of modern forms of organization.

More recently, Foucault has carried on with Weber's project of tracing the historical process of rationalization, which he describes in terms of disciplinary technologies and forms of governmentality (Foucault, 1991). Power for Foucault is a productive force.

We must cease once and for all to describe the effects of power in negative terms: it 'excludes', it 'represses', it 'censors', it 'abstracts', it 'masks', it 'conceals'. In fact power produces; it produces realities; it produces domains of objects and rituals of truth (Foucault, 1979: 194).

Like Weber, Foucault is describing the constitutive power of instrumental-rational forms of social domination. Power and knowledge intersect to constitute social reality by defining and enforcing certain discourses that shape the thoughts and actions of subjects and populations.

Foucault's view of power differs from Weber's in that it is less focused on individuals than on discourses. Also, it does not typologize different types of subjects such as the traditional leader, the charismatic leader, or the rational legal subject. At

the same time, there are similarities. Weber's discussion of the disciplines of bureaucracy is similar to Foucault's ideas about the development of institutionalized disciplinary discourses. Also, both theorists assert that modern methods of organizational control did not develop in the capitalist workplace, as Marx argued, but rather in prisons, asylums, and schools, which had adopted their ideas from religious institutions; control is not functionally oriented to capitalist exploitation but to the creation of obedient bodies. This form of control becomes structured into institutionalized bodies of knowledge such as medicine, psychiatry, and social administration, which operate to define and manage the body in disciplinary ways.

For Foucault, society is a set of social technologies which inscribe practices and values of discipline on subjects and security on populations. This occurs through a range of professional discourses that limit, define, and normalize particular ways of being and doing. Power normalizes through discursive formations of knowledge and these norms are institutionalized and incorporated into everyday life. There is no locus of power presided over by a select group of individuals who stand outside of disciplinary discourses and can use power to shape knowledge. Instead, power is "a machine in which everyone is caught, those who exercise power just as much as those over whom it is exercised" (Foucault, 1980: 156). This is not to say that elites do not exist, but they are not the origin points of power. They are, however, instrumental in channelling power in the form of control. Human beings continue to resist that control, but do so within a context where technologies of control have been inscribed onto them in a "capillary form" of power, a power that "reaches into the

very grain of individuals", a "synaptic regime of power" that operates within the social body rather than from above it (Foucault, 1980: 39).

Marxist theorists have debated Weber's and Foucault's, views on power from the perspective of rationalization and technology. Marcuse (1966) critiques Weber's decentring of class, pointing out that scientific and technical rationalization is a form of class domination which acts to mold increasingly oppressive relations of production. It is also an ideology which legitimizes domination through linking the processes by which people and nature are controlled, simultaneously increasing the standard of living by increasing the efficiency of production. People are living in increasing comfort because of the form of production which oppresses them, driving them to greater feats of controlled efficiency.

Still writing within the Marxist tradition, Habermas (1970), on the other hand, questions the role of class in rationalized societies, arguing that a proper understanding of rationalized society from a critical perspective requires a reformulation of class as a concept:

The interests bearing on the maintenance of the mode of production can no longer be 'clearly localized' in the social system as class interests. For the power structure, aimed as it is at avoiding dangers to the system, precisely excludes 'domination' (as immediate political or economically mediated social force) exercised in such a manner that one class subject *confronts* another as an identifiable group (Habermas, 1970: 109).

Habermas argues that class distinctions have become latent, manifesting in the form of subcultural traditions, differences in standard of living, lifestyle, and political attitudes. Conflict occurs but the underprivileged groups are not social classes; they

do not have the potential to represent the mass of the population nor are they disenfranchised through exploitation. On the contrary, they are pauperized because the system *refuses* to live off their labour (Habermas, 1970: 110).

Social subjects are loyal to rationalized domination because of a system of distributing political and economic rewards that is disassociated from political and ethical questions and is premised on scientific and technical questions. This has the effect of reifying political and economic processes and promoting a technocratic consciousness that depoliticizes the mass of the population. Technology and science form the basis of a dominant ideology which prioritizes system concerns over class concerns with system maintenance as the overriding consideration. Discourses of technology have become a dominant ideology which emphasizes system security with a resulting promotion of a technocratic consciousness (Habermas, 1970: 111).

Recent post-Marxist writers have further developed the concept of technocratic consciousness, within the context of late twentieth century post-industrialism. Donna Haraway (1986) and Evan Watkins (1993), for example, argue that there has been a move away from naturalistic, toward what Watkins defines as "technoideological", coding. Rather than basing narratives of social positioning on essentialist categories from nature, the field of reference has become technologized. As a field of reference, technology implies continual and unpredictable change. Haraway argues that rather than freezing a temporarily existing configuration of social positions and defining it as the normative standard (as Habermas does), technoideological coding embraces changing conditions as a key element of its own ideological premise.

Consequently, dominant ideologies no longer appear coherent and stable. There is no essential vision underlying them (Watkins, 1993: 2). Watkins has raised an essential point about the relationship between technology and structures of knowledge in the late twentieth century but I take issue with his term "technoideology" for two reasons.

First, dominant ideologies emerge from the cultural program of rationalization and are successful only to the extent that they promote that program. This is because technical rationalization is not a question of socioeconomic positioning, but of ontology. It forms a cornerstone of modernist definitions of reality and infuses all ideologies. Therefore, what Watkins refers to as an ideological shift toward technoideology and away from naturalistic ideology, I would label as an ontological shift. Something more fundamental than power relations is changing. It is a shift in basic understandings of reality; as a generative metaphor of the social, technology sets certain problems and prescribes certain solutions. Changes in power relations flow out of this cultural change.

Second, invoking ideology implies that structural positions have ascribed and objective interests attached to them, whether the subjects of those positions recognize it or not. Where people do not recognize their class interests, analysts raise some variation on the themes of false consciousness and hegemony, which lead back to ideology with its notions of true and false knowledge. However, the notions of true and false knowledge, as well as the idea that interests are fixed by the relations of production, are problematic. These relations may define concepts of class and organization but one cannot assume that definite discourses represent these positions.

Discourses have no fixed referent in particular values or systems of morality. To make that argument would be highly essentialist (Clegg, 1994: 156-57).

Given the emerging techno-ontology underlying post-industrial forms of rationalization, what happens to the state and social organization? Ulrich Beck (1993), describes the developing postindustrial governmental form as the 'risk society', arguing that Western societies have entered a new phase of social governance where concerns over wealth distribution give way to concerns over risk distribution (see chapter 4). This is a result of developments in technology, global economics, environment, and cultural paradigm shifts away from scientism. In other words, risk society is characterized by a self-reflexive perception of modernism as being in a state of crisis, resulting from a social, economic, political, and physical environment defined as chaotic and risky.

The role of the state historically has been to manage a society characterized as consisting of differing strata of wealth distribution. These issues of distribution were structural in nature, not highly changeable, and manageable through standardized policy practices involving market regulation, income redistribution, and social security. However, within the chaotic risk society of the late twentieth century, cumbersome, bureaucratic welfare state institutions must, within the rhetoric of business intellectuals and others, give way to a more flexible form of governance centred around economic institutions that can quickly reconfigure to meet the risks.

Where can such an institution be found? Not surprisingly, it can be found in the corporation. Colin Gordon points out how, within liberal ideology, corporations

have always been recipients of delegated state authority to ensure stable production. At the end of the 20th century, what does this mean in terms of post-industrial, neo-liberal governance wherein the state is in a process of withdrawal from former responsibility over social reproduction? What are the remaining roles of the state in late capitalism? Are corporations evolving into a type of governing structure within a political sphere increasingly defined as a type of market? Within this context of risk and emerging corporate governance, what is the role of business intellectuals as knowledge producers, and what is the nature of their social prescriptions? These are some of the questions I wish to address in this thesis and, in the process, examine how, within the political and cultural environment of 1990s North America, the corporation is transformed, through popularized business discourse, from an instrument of social structure to a model of social structure.

III. Reading Texts, Interrogating Discourse:

A Methodology of Critical Interpretation

Corporate restructuring at the end of the twentieth century is certainly not an understudied phenomenon within the social sciences. Its treatment, however, has tended to follow along certain theoretically and epistemologically prescribed paths. Considerable attention has been paid to the political economy implications of globalization and restructuring, concentrating in particular on the increasing influence of corporations on political decision-making and policy planning as well as macro-level effects involving the integration of local and global markets (for example, Marchak, 1991; Knox and Agnew, 1989; Wallace, 1990; Brunn and Leinbach, 1991; Bryan, 1994; Green, 1994). The focus of these works tends to be on the state and its changing role in the emerging global economy.

Another stream of work addresses the cultural implications of current social transformations, often from the perspective of the role of technology in creating a technoculture. Corporations are often mentioned in connection with this trend, but are placed in the background, a sinister force lurking in the shadows, waiting to exploit the effects of technocultural changes or manipulating the cultural media to impose hegemonic control over people's consciousness (for example, Clarke, 1994; Schiller, 1989; Ross, 1991; Processed World Collective, 1991; Watkins, 1993; Lash and Urry, 1987).

A third treatment of corporations in the era of restructuring studies the

workplace and the development of disciplinary technologies to control the labouring body. Here, organizational restructuring is portrayed as a labour process strategy by which corporate managers shift the grounds of workplace control from overt hierarchical surveillance and punishment to covert inducements toward self-surveillance. As well, many of these works are concerned with the rise of a new class of the fully employed with an accompanying underclass of the underemployed who work to serve the employed. Once again, information technology is a central instrument in the restructuring process and its disciplinary effects (for example, Aronowitz, 1994; Knights and Sturdy, 1990; Deetz, 1992; Perin, 1991; Gorz, 1989; Knights and Morgan, 1991; Zuboff, 1988).

In each of these approaches to the study of the corporate role in social, cultural, economic, and political restructuring, corporations are significant, but only in terms of their role in assuming political and economic power, promoting consumer culture, and establishing new work regimes. Left unaddressed is their discursive role, their role in meaning-making and the corresponding disciplinary and governmental implications of this role. How are business intellectuals contributing to a redefinition of social reality that transforms the basis of social interaction and institutional processes at all levels of social organization? The above-mentioned approaches give only partial answers to these questions. They assume that corporate-produced meanings enter general culture through corporate products and the material effects of power. I argue that corporatization proceeds at another level as well, a cultural discursive level where business intellectuals are actively engaged in the production of

new characterizations of post-industrial social reality, the problems or risks that flow out of those characterizations, and the organizational solutions necessary to counteract these social risks.

To analyze business discourses of governmental effect, I set out a methodology for reading the textual production of business intellectuals to uncover the discourses that are instrumental in constructing the business version of social reality. I begin by identifying a set of epistemological and theoretical assumptions about discourse, proceed to define and outline the business restructuring genre as the object of analysis, identify a process of reading to uncover the cross-textual regularities that allow for analyzing the discourses present in the texts, and outline a set of analytical tools to be used as the basis for critique of the discourses.

1. Epistemological Assumptions

Within the field of post-structuralist discourse analysis, theory and methodology are indistinguishable; both address the same issues. Therefore, because I have already pointed out some of the theoretical and epistemological assumptions of post-structuralist discourse analysis in the previous chapter, I will only briefly reiterate some of the main premises that inform my method of reading and analyzing business restructuring literature.

I have drawn upon the works of Foucault (1979, 1994), Derrida (1976), Smith (1974, 1984), and to some extent Bakhtin (1981) in formulating a set of epistemological propositions, about social texts, that have implications for my

methodological choices. From these works, I draw five primary assumptions about texts and discourse.

First, social subjects are products of the intersection of power and knowledge in the form of disciplinary discourses. Two areas of intersection must be taken into account when relating discourse to organizational practice. First, discourse is the instrument of power and control within organizations, acting to constitute the subjectivities of their members. Second, discourse is the instrument of the social construction of reality within the organization. Of course, these two characteristics cannot be separated, since power and knowledge are inextricably entwined.

Organization scholars, however, have not always made this connection. As Mumby and Stohl point out:

In organization studies, there is a clear distinction between research which has developed sophisticated and robust conceptions of power but which has done little to develop penetrating analyses of discourse and, on the other hand, research which is based on relatively anemic conceptions of power, but which provides quite systematic analyses of various discursive forms (e.g. story telling, conversational styles). Few studies have managed to accomplish both tasks (Mumby and Stohl, 1991: 313-14).

Power and meaning construction cannot be discussed independently when using a critical discursive perspective. Once again, Foucault's work is an important starting point in any critical discussion of power and knowledge. It stresses the nexus between discourse and power, characterizing discourse as a way of representing social practice, a form of knowledge that organizes our understandings of reality.

Institutions are the sites of the generation and application of these discourses which, in the modern era, have had as their effect, a disciplining of people's bodies and

minds (Foucault, 1979).⁹

Second, the logocentric subject, and thus the author, must be decentred, removed from the throne of meaning-maker and relegated to a product of social and cultural discourse and historical experience to better understand the operation of discourse, power relations, and knowledge production. Knowledge cannot operate reflectively outside of the historical, social, and political processes of which it speaks. This realization makes it necessary to decentre 'Man', the centred social subject of the classic approaches to human science. Individuals do not write the social through their inner thoughts but rather, are products of their historical context and draw upon the cultural knowledge available to them in the production of knowledge. As Foucault states in *The Archaeology of Knowledge*:

[Discursive practice] must not be confused with the expressive operation by which an individual formulates an idea, a desire, an image; nor with the rational activity that may operate in a system of inference; nor with the 'competence' of a speaking subject when he constructs grammatical sentences; it is a body of anonymous, historical rules, always determined in the time and space that have defined a given period, and for a given social, economic, geographical, or linguistic area, the conditions of operation of the enunciative function (Foucault, 1994: 117).

In the assertion that knowledge is not a product of the inner self, Foucault's work resonates with Derrida's (1976) deconstructive method. Derrida's critique of logocentrism is also designed to remove the centred self from the status of the source of meaning and truth.¹⁰

Third, 'official' discourses attempt to suppress their binary opposites by absenting them from the texts that embody and create discourses; however, the absent

continues to intrude upon dominant discourses because it is essential for defining that which is present. As discussed in chapter 2, the binary structure of the human perception of reality is referred to as "difference", which is a process of division. It is the means by which binary terms are both separated and joined together into an undifferentiated state. Binary opposites together form a whole - one cannot be defined without the other. The binary elements of a term are involved in a continuous process of differentiation or active alternation, constantly intruding upon the meanings of each other. Within the social sphere, one element of a binary will be hierarchized over the other, seeking to repress it through absence, thereby hiding the contradictions that exist at the heart of human existence. This suppression is ultimately impossible, however; binaries continue to intrude upon one another, disrupting meanings and making stable meanings impossible.

This system of presence and absence is political in nature. Meaning is not fixed; it exists within a system of difference which makes up the signifying system. The structure of that system is not arbitrary, but reflects a struggle between different interest groups to create a meaning system in which certain views of the world are privileged over others. Dominant social groups are those which can create a meaning system which serves their own interests but within a cultural/historical context which sets parameters to the possibilities of knowledge. As Foucault points out, power is a condition rather than a property. It is an implicit part of discourse, structuring the rules and procedures that constitute different forms of knowledge.

Fourth, discourse constructs social reality through a process of representation

by which 'reality' is coded in a certain manner and translated back into a new version of reality which embodies a set of power relations and which acts to discipline social subjects along certain pathways. Writing is an act of control, operating to construct the social, and discipline social subjects through its implicit power effects. Smith (1984) refers to this process of representing reality as 'inscription' while Derrida (1976) uses the term 'writing'. In both cases, reality is coded through a process that is erased as it occurs. People act upon the resulting representation rather than the reality, forgetting that the representation *creates* the reality rather than being a model of it. I locate this process in culture rather than class structure as is the case with Smith (1974).

Finally, texts originate not from the inner reflections of individual subjects/authors, but from a braiding together of existing discourses, a process which is interactive with existing discourses, reproducing them and at the same time transforming them. This meaning-making process is, however, mediated by power relations. As Bakhtin (1981) points out, 'official' discourses and genres within the cultural sphere operate 'monologically' to project one language as providing the only possible method for understanding a particular process, in a manner which encourages an immediate identification of this language as corresponding with one's experience of external reality. At the same time, monological discourses attempt to suppress and subordinate any potentially oppositional discourses. Through the process of erasing the traces of the socially-constructed, dialogical nature of official discourses, they facilitate a misrecognition that a person's perceptions and experiences are self-directed

and not a product of constructed power/knowledge systems. Within Bakhtin's perspective on discourse and knowledge, the self is constituted through the operation of a dense and conflicting network of discourses, cultural and social practices, and institutional structures in a process that is historical rather than the result of a single event. Therefore, the subject is never finalized and centred -- he or she is in a perpetual state of becoming.

2. Business Restructuring Writing as Genre

To operationalize my epistemological assumptions about discourse and text, I proceed through a series of steps in approaching business restructuring texts for the purpose of analyzing the discourses that produce meaning within the texts. First, I must locate business restructuring texts as a distinct *genre* sharing a common set of historically generated discourses that provide a relatively coherent meaning system. In a sense, I construct the genre of business restructuring literature, since it has not yet been named and classified, and I describe its major characteristics.

Corporate discourses of control, governance and discipline are a power effect of business restructuring texts. These texts are produced within a set of generic structures belonging to a particular discourse community -- the business community. Genres are approved text-types, within a community, which make meaning possible by contextualizing shared structural patterns of meaning and specifying conditions for beginning, continuing, and ending a text (Swales 1990: 41). Through genres, the discourses which carry power implications, and which structure everyday reality, are

organized, transmitted, maintained, and changed (Kress and Threadgold, 1988: 216). Concurrently, they act as an interface where structured discourses produce structured social practices (Van Leeuwen, 1993: 194).

Genres are not, however, simply schema for linguistic and social action, but are also reality maintaining and building processes which contribute to the structured situation-types of everyday practice. Objectified social knowledge is first produced in documentary form and, through a process of representation, these textual constructions are transformed into factual reality. An interpretive schema of discourse and formal organization pre-exists the actuality to be produced. This schema, or generic structure, assembles and interprets a set of particulars, which then become an index of an underlying pattern which corresponds to the schema. In this way, textual practices come to constitute everyday reality.

Within the business community, there are a number of genres of literature including: self-help in the workplace, strategies for effective leadership, organizational restructuring, and others. Restructuring literature, as the primary, most overt, site for construction of social governance and organizational reform in business discourse, is the generic field into which I wish to critically intervene.

Business restructuring literature has various generic characteristics which shape the textual practices that occur within it. There are, of course, variations and exceptions but certain generalizations can be made. I outline five characteristics that are particularly relevant to the research in question. First, the literature is produced by business intellectuals who are consultants, executives, and/or business academics.

Often, a given author is situated in all three roles. Both the writers and readers of the texts are literate, well-educated, middle to upper middle class corporate employees. The books are popular in the broader culture as well, often finding their way on to bestseller lists in North America, evidencing a broader cultural resonance.

Second, business restructuring literature is prescriptive, a variant of self-help literature but not strictly for individuals. Rather, the prescriptions are for executives involved in managing medium to large corporations. Although the advice given to executives centres around improvement of organizational structure and process, prescriptions are also directed at the organizational values that an executive should hold and the leadership style he or she should adopt.¹¹

Third, the intertextual processes of the genre privilege certain authorities and exclude others. Increasingly, since the early 1980s, social science organizational experts have been excluded as intertextual sources, as the genre community which possesses this literature has developed its own authorities and its own discursive formations. For example, the early corporate culture writers such as Ouchi (1982) and Peters and Waterman (1982) drew quite heavily upon Durkheimian sociology and Skinnerian social psychology respectively. However, one is hard put to find any social science references at all in the texts of the 1990s. Today, authorities are almost exclusively business intellectuals and business journalists, with a resulting loss of any sort of critical basis to the genre. Instead, concerns of efficiency and profitability are the overriding problematics of the literature and define what can be legitimately talked about.

Fourth, the prescriptive nature of the genre and the acceptable forms of intertextuality within the genre community structure the processes of textual production. Prescription implies that there is a problem or set of problems that need to be solved. Accordingly, business restructuring literature sets out to define the problems of business and suggest solutions to them. This problem-setting and problem-solving format structures the generalized narrative within the texts, most commonly beginning with a statement of the current state of corporate organization within North America, the changing circumstances within which corporations operate, the problems these circumstances pose for corporations, and the necessary changes in organizational form that will solve the problems. The resulting form of organization is usually described in consciously metaphoric language, the 'virtual corporation', the 'learning' corporation, the 'biological' corporation. Through the occurrence of this narrative structure within a business text, one can generally identify it as belonging to the business restructuring genre.

Fifth, the authors' methodology is highly empirical; they perceive the problems faced by corporations and conduct research into how successful corporations have met the challenges of efficiency and productivity posed by the problems. Through an inductive process of comparing their research findings on a number of corporations, authors propose a set of operations that will solve the problems of less successful corporations. Significantly, the types of corporations that have been investigated for solutions have changed. Whereas corporate culture writers of the 1980s looked, in part, to Japanese corporations, as well as certain types of American

corporations such as the Silicon Valley firms, the object of analysis has shifted to more mainstream American corporations.

The method is scientific and quantitative, but is designed to capture the difficult to measure human and social variables -- often referred to as the 'soft disciplines'. This problem-solving orientation gives the genre a utopian tone, promising not only enhanced efficiency and profitability but also greater self-fulfillment, personal autonomy, and organizational democracy. It is the processes by which power enters into the textual representations, the problem-setting and problem solving narrative structure, and the scientific methodology that I focus on to uncover the discursive implications of flexibility.

Given these generic considerations, the method I employ to analyze business restructuring texts involves two larger processes, each involving a set of sub processes. After identifying the genre and selecting texts for analysis, I carefully read the texts for the purpose of locating cross-textual regularities. This involves distinguishing between problem-solving and problem-setting discourses within the texts and the genre as a whole, identifying common problem-solving representations, and examining the empirical claims of the literature to identify the schema within which restructuring discourses are represented. Second, I will critically analyze this generic discursive formation through reading from the absent, examining the literature as a literature of governance, and employing social science research to act as a transgressive knowledge system.

3. Text Selection

Given my epistemological stance on the nature of texts, and given that texts within the business restructuring genre, as I have defined it, will exhibit certain common characteristics, any text selected from within the genre should be appropriate for inclusion within this research. I have not chosen the texts randomly, however, but have taken into account a number of factors, most importantly, the historical significance of a given text and/or the current importance of the text in shaping the genre. Given these considerations, and others, I classify business restructuring texts into two general categories -- historical and contemporary. Historical texts are those produced between 1980 and 1990 and are all exemplars of different periods in the development of the genre. Exemplary texts from the 'corporate culture' period of approximately 1980-85, include:

- Terrence Deal and Allan Kennedy, *Corporate Cultures: The Rites and Rituals of Corporate Life* (1982);
- William Ouchi, *Theory Z: How American Business Can Meet the Japanese Challenge* (1982);
- Richard Pascale and Anthony Athos, *The Art of Japanese Management: Applications for American Executives* (1982); and
- Thomas Peters and Robert Waterman, Jr., *In Search of Excellence: Lessons from America's Best-Run Companies* (1982).

Exemplars from the second half of the 1980s, a period I refer to as the 'entrepreneurial culture' period, include:

- Rosabeth Moss Kanter, *When Giants Learn to Dance* (1990);
- John Naisbitt and Patricia Aburdene, *Re-inventing the Corporation: Transforming Your Job and Your Company for the New Information Society*

(1985); and

- Gifford Pinchot, *Intrapreneuring: Why You Don't Have to Leave the Corporation to Become an Entrepreneur* (1985).

The primary object of analysis in this thesis are 'contemporary' texts published during the 1990s and producing and reproducing a particular, generalized model of flexible organization. I divide these into two categories. The first category includes *exemplars* which have been highly instrumental in shaping the genre as it currently stands. These include:

- Michael Hammer and James Champy, *Reengineering the Corporation: A Manifesto for Business Revolution* (1993);
- Tom Peters, *Liberation Management: Necessary Disorganization for the Nanosecond Nineties* (1992); and
- Peter Senge, *The Fifth Discipline: The Art and Practice of the Learning Organization* (1990).

These are the texts produced by the 'gurus' of business restructuring.

The second category of texts I refer to as *examples*. They are generally quite recent and act to demonstrate how the ideas developed in the exemplary texts are working themselves out within the genre. In this category, I have chosen the following:

- James Collins and Jerry Porras, *Built to Last: Successful Habits of Visionary Companies* (1994);
- William Davidow and Michael Malone, *The Virtual Corporation: Structuring and Revitalizing the Corporation for the 21st Century* (1992);
- Peter Drucker, *Managing for the Future: The 1990s and Beyond* (1993);
- Francis Gouillart and James Kelly, *Transforming the Organization: Reframing Corporate Direction, Restructuring the Company, Revitalizing the Enterprise*,

Renewing People (1995); and

- Gary Heil, Tom Parker, Rick Tate, *Leadership and the Customer Revolution: The Messy, Unpredictable, and Inescapably Human Challenge of Making the Rhetoric of Change a Reality* (1995).

For a detailed discussion of the considerations involved in text selection, please see Appendix A.

4. Identifying Cross-Textual Regularities

Having chosen the texts for analysis, the methodological challenge with which I am faced is to develop an interpretive template to analyze these texts as a body of writing about which generalizations can be made. This means building a method of reading and analyzing that draws out discursive formations commonly involved in constructing power/knowledge relations within the business restructuring genre, and analyzing them as representations. As mentioned above, the common textual strategies employed by the authors of the texts provide a starting point for identifying the common meanings that can be found cross-textually. These include the problem-setting and problem-solving narrative structure and the use of scientific methodology to substantiate truth claims.

The first axis of reading method is to identify the problem-setting and problem-solving narrative elements within the texts. These occur at the surface level of the text and act as signposts pointing toward the underlying discursive formations involved in meaning-making. Problem-setting precedes problem-solving, constructing the 'reality' out of which a set of problems flow in a particular way. Problem-setting

formations have two components: *naming* and *framing* (Schön, 1993: 146). Elements of a situation are selected for attention, or framed, and then named in such a way as to fit the frame constructed for the situation. Together, these two processes construct a problem out of the vague and indeterminate reality of the situation. There are three processes involved. First, naming and framing involves selection of a few salient features and relations from an overwhelmingly complex reality. Second, they give these elements a coherent organization. Third, they describe what is wrong with the present situation in such a way as to set the direction for future change (Schön, 1993: 146). Through naming and framing, problem-setting formations make "the normative leap from data to recommendations, from fact to values, from 'is' to 'ought'" (Schön, 1993: 147).

Problem-solving flows from the manner in which problems have been named and framed and involves three central components. First is the search for solutions. Problems are assumed to be given and it is assumed that people know what the organizational problems are but cannot yet solve them. The task is to find solutions. Second, organizational problems are taken to always have the same form. There are always objectives, goals, or purposes rooted in human values and arbitrary because they depend on what people want to achieve. There are also constraints on what can be achieved, based on limited resources. Third, it is possible to rationally choose the best course of action from a number of options. In other words, problem-solving is equivalent to evaluation and prescription.

Business intellectuals have come to view themselves as solvers of business

problems. This problem-solving approach can be criticized, however, on a number of grounds. First, problems are not given, they are constructed by people as they attempt to make sense of complex situations. Second, ways of describing problems change over time. Third, new descriptions of problems tend not to arise because of solutions applied to earlier problem descriptions, but evolve independently as new features of a situation become prominent. Fourth, solutions often create unanticipated problems of their own and, contrary to the claims of problem-solvers, the solutions of experts have not converged on a set of solutions relatively free of error (Schön, 1993: 144); the evaluation process never succeeds in eliminating problems.

Within business restructuring texts, identifying the problem-setting elements of the discourse is not very difficult. Like social scientists, business intellectuals are careful to establish a set of baseline contextual factors from which their problem-solving analysis flows. In other words, they take an empirical approach, basing their prescriptions in empirical 'fact'. As I demonstrate in chapter 6, the coherence of this genre is such that there is a very uniform set of contextual factors that set the problem of business in the 1990s, including: the changing marketplace, global competition, and entrepreneurial customers. These are typically set out in the first few chapters of a business restructuring text to establish the need for certain organizational solutions. The task is to uncover the assumptions about society, the social subject, and social governance present within this representation of the post-industrial context.

From the manner in which the context of late capitalism is set by business intellectuals, a particular solution is named within the business restructuring genre:

flexibility. My task is to identify the discourses employed by business intellectuals to frame the concept of flexibility; what is the discursive structure that provides its meaning within this set of texts? I identify three primary discursive representations that frame the 'name' given to flexibility: entrepreneurship, learning, and decentralizing. Together, these discourses form a representation of ideal organizational functioning by defining social reality in a particular manner which has certain power and control implications both inside organizations and in the larger social field. These discourses can be linked to larger cultural knowledges that are embedded within the intertextual processes of the business restructuring genre and which provide a rationale for the power implications of the discourses.

The solutions to business problems are generally expressed as representations which abbreviate a complex reality to allow for easier understanding. Processes of representation are the means by which problem-setting/problem-solving excludes or includes meanings within texts. As Robert Cooper states:

In the study of systems, social or otherwise, it is often forgotten that representation is a necessary part of the 'knowing' process. We do not experience the things of the world directly, but single out certain of their distinctive features which we then perceive as mappings. In other words, we map the world in terms of significant differences, selecting certain features and excluding others (Cooper, 1990: 169).

Representation works through the suppression of difference and the assertion of sameness and therefore, involves power relations. Consequently, it is a highly political process as social agents compete to establish the dominant meanings associated with a sign. Organizational representations convey and construct a knowledge of organization emphasizing a carefully selected set of truths. These truths

are never neutral; they compete in a power field, attempting to suppress rival truths, each working to establish itself as the common-sense perception of reality.

Problem-solving representations are, therefore, textual devices employed in business restructuring literature to create authors' strategic interventions in the field for the purpose of reproducing particular power/knowledge configurations. Given the nature of intertextuality within this genre, the range of representations in use is somewhat restricted since authors draw mainly upon the works of other authors within the same genre, leading to a convergence around a central set of constantly repeated representations. This creates a discursive regularity across texts, which allows for certain generalizations to be made.

The second reading strategy I employ involves examining the empiricism of the authors. Quite commonly, writers within this genre draw upon large numbers of case studies which are described in some detail in order to demonstrate the validity of their claims to having found the solutions to business problems. Unsuccessful attempts to implement the prescribed organizational changes are rarely included, nor is mention made of the negative effects of the proposed changes. Overall, the case studies contribute to the utopian tone of the literature. However, that tone can only be maintained through selective choices of exemplary organizations which fit the predetermined prescriptions of the authors that seem to solve the problem previously set.

This raises certain questions. If the examples are almost always positive, which comes first in the construction of the text, the case studies followed by

inductive reasoning which leads to a theoretical conclusion about proper organization, or the construction of an ideal type of organization which is then legitimized by finding examples to illustrate it? A broad reading of the genre suggests that not only are certain textual strategies becoming common within the genre, but also certain perspectives on an ideal-type organization which seems remarkably similar cross-textually. I argue that because the problems of business have been *set* in a commonly accepted manner, the organizational problems are being *solved* in a commonly accepted manner. This leads to a shaping of reality based on the use of empiricism to repeatedly demonstrate and legitimize an accepted fact that can claim the status of science while ignoring rival evidence which might suggest other ways of understanding business problems and business reality.¹²

5. Critical Analysis of Discursive Regularities

To this point, I have identified the textual strategies, employed by business authors, which produce certain power/knowledge configurations within their texts. To interpret the texts critically, I employ three types of interventions: reading from the absent, adopting the assumptions of Foucauldian governmentality analysis, and employing social science as a counter-knowledge. Reading from the absent draws upon Derrida's (1976) notion of presence and absence within texts. Absence is significant because it reveals underlying conflicts among and within communities of knowledge producers over important concepts such as 'organization', 'employee' and 'society'. It brings into focus the control implications of the reality constructed by

business intellectuals by hinting at alternatives that are not realized in the text. As Derrida asserts, it is the task of critical scholars to intervene at the level of the text and give voice to alternatives.

Within organization studies, this involves viewing those aspects of organizations which appear stable and based on a consensual system of meanings as containing within them alternative readings and the possibility of transformation. Discursive practices, which construct organizational subjectivity and meaning systems, are based upon a system of presence and absence; certain possibilities are built into organizational experience, while others are excluded. Construction of organization occurs through systematic absencing of certain meanings and individuals or groups from a central place in organizational meaning systems, marginalizing some voices while privileging others.

McHoul (1986) offers an informative example, drawing upon deconstructive tactics to critique the Queensland Department of Education's policy statement concerning sexism in schools. Texts, according to McHoul, create ontological objects rather than the other way around. Policy "... does not stand in any 'relation' to a domain of practice from which it is ontologically severed; rather it constitutes a domain of practice in itself: a field of signifying practice" (McHoul, 1986: 188). He critiques policy texts by making an intervention at the level of policy discourse:

Policy texts work to police other specific material practices, to allow and to deny certain cohorts access to particular practices and social spaces. Who is allowed to do what and where are effects of readings and writings. A critical intervention, therefore, must seek other-than-dominant (oppositional) modes of reading/writing policy; other modes of determining the forms of access that are "permitted" or "denied" to particular social cohorts -- in the present case,

women (McHoul, 1986: 183).

Policy is an elaborate state technology that 'saturates' bureaucratic and popular settings, organizing some practices while repressing others. Policy texts do not have single meanings which automatically promote certain consequences. Instead, the standardization of policy techniques contributes to the production of stable readings and effects (McHoul, 1986: 189). The point of intervention is to find the cracks in 'official' meanings, to read policy texts from absent and marginal positions.

McHoul proceeds to deconstruct this particular policy statement by pointing out how the narration of facts masks the social construction process and presents an unproblematized 'real'. The social is absent from the text, removed by the discourse of individualism, the centred-psychological subject whose individual difference derives from nature. Liberal assumptions about equality ensure that the conservative forces which have produced sexism in society are not to be prevented from operating in schools and, in fact, must be deferred to. Meanwhile, feminist discourses have been incorporated only after being 'neutered'. The end result is a continuation of repressive policies concerning sexism (McHoul, 1986: 201).

The same type of considerations apply to my analysis of business restructuring texts.¹³ For the purposes of this project, I read these texts from the perspective of the absence of control implications. Organizations are traditionally highly controlled environments and yet the model of flexible corporation of the 1990s, as represented in business texts, is notable for the absence of control from the surface of the texts. Control is deferred to the subjectivity of entrepreneurial employees but upon

examination of this model, business intellectuals find that entrepreneurialism implies economic self-interest and a potentially disruptive degree of agency. Thus, control must be further deferred to the workteam, but within the decentralized corporation, the same problem of agency applies, and control must be further deferred to corporate 'leaders', and so on. The process of deferral of control continues and destabilizes the proposed model of organization.

This leads to a series of critical questions that form the basis of my intervention into these texts. Assuming that organizational representations always have power implications embedded within them, and assuming that power implies control, who is excluded from the texts and why? How is the absence of control coded within the discursive formation of flexibility and how does it enter back into the text? What are the possibilities for resistance implied by the intrusion of control into the discourse of flexibility?

The second avenue of critical analysis that is effective in understanding the control implications of 1990s organizational discourses is Foucauldian approaches to social governance. This theoretical perspective provides a set of assumptions from which a set of methodological questions flow. For example, Foucault argues that knowledge cannot operate outside of its historical context, making it necessary for me to locate flexibility as a knowledge system within a set of historical discourses and practices around the idea of 'organization'. Therefore, in examining the particular meanings involved in the discursive formation of 'flexibility', I view it as a development from an earlier knowledge system in combination with a set of political

and economic developments. Because the history of management theories has been well-studied, I limit my historical analysis to the immediate predecessor of flexibility, namely, corporate culture discourse, and its economic and political milieu.

In keeping with Foucauldian theory, I maintain a methodological position of decentring authorship of texts. Rather than being expressions of the inner thoughts of authors, the texts are products of cultural discourses that reflect, and contribute to, discourses of governance within society. Business restructuring literature participates in a set of 'official' discourses about social government; in particular, it is a site which shares much with the discursive formation of neo-liberalism and I examine the convergences between the two through the roles of the market, entrepreneurship, and an anti-state bias within each.

My third critical intervention involves challenging the empiricism of business intellectuals by offering social science research as a counter-knowledge to their truth claims, particularly around the issue of control v. autonomy. Perin (1991) for example, concludes that telework, a technology that seems ideally suited to autonomous work processes, has not 'caught on' in North America because of its threat to direct management control. Du Gay and Salaman (1992) argue that the absence of direct supervision does not mean unfettered employee freedom. Instead, flexible strategies such as TQM (total quality management) and JIT (just in time) delivery systems operate to control employee behaviour by making employees customers of one another. The basis of executive control, rather than its presence, changes. In terms of the internalization of corporate values, Kunda (1989) and Hayes

(1990), both in reference to Silicon Valley, point out how employee lives are disrupted by the cognitive dissonance produced through the clash of corporate and personal values and goals. Knights and Sturdy (1990) find that although new informed work processes may act to discipline labour into a higher level of productivity, employees remain alienated from the work process and the corporation. Sociological knowledge, therefore, offers a basis to question and challenge the empiricism of business writers.¹⁴

Once again, this strategy of intervention highlights the representational nature of organizational knowledge. Empirical approaches to organizational analysis must be problematized, rather than being viewed as accurate descriptions of reality. The assumption is that through observation, reason, and constant evaluation, experts can continuously improve the description of reality through language. The language produced in the empirical process does not, however, lead to a convergence with the real. Rather, it is a process of professional self-justification (Hassard, 1993: 12). Research proceeds through a set of discourses already shared within the business community and the resulting data is interpreted and justified within a discursive field restricted by generic constraints. The empirical process *begins* with its theoretical assumptions intact and these assumptions are inscribed onto the data, ordering it into a pre existing representation.

The same holds true for social science empiricism and, therefore, its use as a counter-knowledge to business research is not necessarily a *critique* of business empiricism in and of itself. They are two competing knowledge systems and two

competing communities of intellectuals who apply different reasoning to the same processes to reach different and often opposing conclusions. Use of sociological research in this context is for the purpose of *transgressing* business discourse, disturbing its contents and the discursive structure that gives them meaning. This is not a critique of the business discourse in the sense of attempting to reconstruct the contents of the discourse but rather, it is an attempt to illustrate the contingency of the contents of the discourse on particular social, historical, and discursive features. It is a shifting of boundaries rather than their undermining. Social science literature assists in uncovering what is absent from business literature. Critical sociology is a particularly useful counter-knowledge because it is primarily concerned with examining structures of power and control, indicating sites of rupture where control enters back into the discourse.

6. Summary

The strategies of textual analysis I use involve examining difference, writing, and representation. They follow from the epistemological orientation of post structuralism as set out by major theorists such as Foucault and Derrida. From this perspective, the textual productions of business intellectuals are not perceptions of empirical truth but are representations produced through application of a prior model which directs knowledge production along prescribed paths while excluding certain meanings that would suggest rival interpretations.

Meaning-making occurs within the context of a textual genre which imposes

constraints on meaning through a particular discursive structure. Because the genre in question has evaluative and prescriptive purposes, it operates through a structure of problem-setting and problem-solving. Through a generically defined problem-setting discourse, the problems to be solved are framed in a manner which directs meaning toward a necessary solution, in this case, flexibility. The problem-solving discourses operate through a set of representations of flexibility designed to attribute flexible attributes to organizational contexts, structures, processes, and subjects. Together, they work to create an unproblematic whole of meaning which supports the authority of managers and owners within capitalist organizations as well as the rationalizing program of modernist culture.

Like all models of social reality, the model of flexibility is subject to disruption through the instabilities resulting from suppression of the absent. The most noticeable absence from the texts is management control, which has been written out of the representation through deferral to the subject in the form of self-control. I am operating upon the assumption that control continues to be produced within and by the discursive formation of flexibility and employ the strategies of reading from the absent, adopting the assumptions of governmentality theory, and applying social science empirical research to critically assess the means by which control is reproduced in the texts.

IV. Setting the Context: Conditions Producing Flexibility

Although the genre of business restructuring literature has as its primary object the corporate organization, most texts within the genre make prescriptions beyond the corporate sphere. In the process, they reveal a larger purpose behind the literature, a purpose which has been present from the very beginnings of the genre, namely the reconstruction of society around corporatized communities and governments. This vision of a reconstructed society flows from a politicized utopian futurism, a discursive terrain which has traditionally belonged to the left but which has been colonized by industrial and military planners and legitimized by business intellectuals and neo-liberal futurologists who have become the 'organic intellectuals' of post industrialism. The result is a vision of a corporatized future in which civil society very much resembles the flexible corporation prescribed by current business intellectuals.¹⁵

In this chapter, I step outside of business restructuring literature to outline the primary political and economic forces operating within post industrial North America alongside shifts in meaning around 'organization' and social governance. For this purpose, I draw upon sociological research to summarize the material conditions which interact with the discursive conditions of the 1990s to produce a particular perspective on corporate organization. Although these material conditions are backgrounded in this thesis for purposes of analysis, I do not wish to give the impression that they are of secondary importance. It is not my purpose to locate

causality in discourse or in political and economic forces, but rather to assert that they are inextricably entwined and set the conditions for each other's existence.

1. The Governance Context

The discursive formation of flexibility indicates a shift in governmental rationality within post-industrial societies. The goal of liberal social governance -- the regulation of populations and individuals for the purpose of creating productive, depoliticized bodies -- has not changed. Rather, the means by which this goal is implemented have changed as the state delegates increasing regulatory authority to the corporate sphere. In this formulation, the 'state' is a product of discourses and practices of governance, not the other way around. The state is a function of liberal governance and flows out of the knowledge of political, economic, and social factors that comprise liberalism. It is the institutional configuration which operationalizes knowledge around governance.

As Foucault (1991) points out, liberalism, as a governmental rationality, developed out of an earlier form of governance based upon a 'family' model, which was "... concerned with answering the question of how to introduce economy -- that is to say, the correct manner of managing individuals, goods and wealth within the family (which a good father is expected to do in relation to his wife, children and servants) and of making the family fortunes prosper" (Foucault, 1991: 92). Within this earlier formulation, governing a state meant the application of 'economy', in the sense that a father manages the economy of the household, at the level of the state.

which means "... exercising towards its inhabitants, and the wealth and behaviour of each and all, a form of surveillance and control as attentive as that of the head of a family over his household and his goods" (Foucault, 1991: 92).

During the seventeenth and eighteenth centuries, a period of territorial, demographic, and financial expansion among Western European powers, the economic model of the family became inadequate as a knowledge system for the conceptualization of governance. In its place developed a political science of government centred on statistics, which was capable of identifying and defining population regularities which could not be reduced to the model of the family. The family now becomes an internal segment of population, an instrument of governance, rather than a model of state. The population becomes the target of government and the new art of 'political economy' becomes the principle form of knowledge of the emerging liberal governance (Foucault, 1991: 100).

Foucault suggests that the technical form of liberal governmental action should be described in terms of 'security' -- the ability of the state to 'hold out' over time through the regulation of the welfare of the social body and through countering forces defined as risks. Prosperity and liberty are essential conditions of state security -- with the former defined as the capacity to preserve and enhance a certain global level of existence and the latter defined as *laissez-faire* -- the devising of forms of regulation which permit and facilitate 'natural' processes of economy and population (Gordon 1991: 19). Unlike forms of governance based upon security of police, this liberal security does not perceive the population as visible to micro scrutiny but rather

opaque, autonomous, and vulnerable. Consequently, liberal rationality views the domain of government as unmanageable at the micro-level. The social subject is the "economic man" -- a subject of individual preferences based on self-interest and, therefore, the aggregate of social subjects is not accessible to the totalizing scrutiny of the state. Social subjects are not harmonized through surrender of their sovereignty in a social contract with the sovereign, as in earlier liberal formulations such as that of Locke.

I assert that at the end of the twentieth century, the form of social governance is changing. It is not a shift toward some type of 'postmodern' governmentality, but is, instead, a continuation and enhancement of the concerns of modernist governmentality; it does not reject enlightenment principles of rationalization and discipline in the context of the productivity imperative. What is changing is the institutional location of governance, the principles of its organization, the relationship of social subjects to the institutions of governance, and the imagined ends of the process of governance. It marks the triumph of one of two competing streams of modernist governance -- liberalism over socialism -- and has apparently settled the uncertainty about the shape of the future.

Beck (1993) also argues that a fundamental shift in governance has occurred. Whereas the governmental knowledge of liberalism has been premised upon a notion of political economy, which casts the problems of government as issues of wealth distribution within a society of scarcity, governmental knowledge in advanced modernity shifts to a science of *risk* distribution. Beck attributes this development to

two conditions. First, risk society emerges where genuine material need can be reduced and socially isolated through the enhancement of human and technological productivity and welfare-state protections. I draw upon the work of Evan Watkins (1993) to suggest that another aspect of this first condition is the development of a knowledge about poverty as the result of an inability to adapt to changing market circumstances, an inability of certain individuals and groups to capitalize change. Second, this change occurs through a general cultural understanding that as productive forces grow within the modernization process, real and potential threats are released on a scale beyond previous experience (Beck, 1993: 19).

As a consequence of this shift in the problem of government, the concept of class society is relativized and even pushed to the background:

The concepts of 'industrial' or 'class society', in the broadest sense of Marx or Weber, revolved around the issue of how socially produced wealth could be distributed in a socially unequal and *also* 'legitimate' way. This overlaps with the new *paradigm of risk society* which is based on the solution of a similar and yet quite different problem. How can risks and hazards systematically produced as part of modernization be prevented, minimized, dramatized, or channelled? (Beck, 1993: 19).

Post-industrial societies are no longer concerned exclusively with making nature useful or releasing humanity from the constraints of nature and society, but also with problems posed by techno-economic development itself. "Modernization is becoming *reflexive*; it is becoming its own theme" (Beck, 1993: 19). In place of questions about techno-economic development are questions about the political and economic management of the risks posed by technological use, and 'security' comes to mean protection from the potential destruction of the forces of modernity, rather

than state intervention into economic processes of wealth distribution. This type of security is relevant as long as scarcity dominates the thought and action of people, along with the accompanying issues and conflicts of wealth distribution. Where scarcity is not such a dominant concern of everyday life, at least within the mainstream of society, issues of risk management come to the fore as knowledge about the hazardous side-effects of modernization are no longer so easily overridden by the imperatives of material survival. Risk has always been a part of life but only in modernity has it come to imply global dangers which implicate all of humanity, threatening the extinction of life on earth (Beck, 1993: 21).

Beck's analysis of changing public perceptions of the purposes of governance are helpful in understanding the emergence of business intellectuals as social prescriptors and the increasingly central role of corporations in governmental processes. The shift in governmental rationality toward risk distribution has been very instrumental in increasing the social authority of corporations and business intellectuals in the second half of the twentieth century. The problems of population during the nineteenth and early twentieth centuries were defined as involving the management of a society characterized as consisting of differing strata of wealth distribution. These issues of distribution were structural in nature, not highly changeable, and manageable through standardized policy practices involving market regulation, income redistribution, and social security. However, within the risk society of the late twentieth century, existing in a context defined as chaotic and dangerously unpredictable, the structurally-oriented, cumbersome, bureaucratic

welfare state institutions must, within the rhetoric of neo liberal political intellectuals and business intellectuals, give way to a more flexible form of government centred around economic institutions that can quickly reconfigure to meet the risks

Corporations offer themselves up as institutions naturally structured to accommodate this type of risk management. Gordon points out that, within liberal governance, there always has been a tendency to delegate regulatory oversight and power to the micro-level of the employer. This is necessary to ensure order in the sphere of production and leads to two related tendencies

- a. reducing governmental functions to a set of economically regulated structures and institutions, and
- b. endowing existing economic structures and institutions with certain of the functions of the governmental infrastructure (Gordon, 1991, 26)

Consequently, corporations evolve into governing structures which are well placed in destructured, postindustrial North America to apply discipline and security as technologies of control at the micro level. The role of the state in late capitalism becomes intervention into a more restricted sphere of economic functioning to ensure the security of 'natural' regulatory processes of economy and society. In practice this means that 'natural' market principles become the basis of governance through corporate discipline while the function of the state becomes one of legitimizing corporate/market governance and employing its principles as the basis of security in the civil sphere. Within this context of risk and emerging corporate governance business intellectuals are in an advantaged position for producing regimes of truth by virtue of their status as experts in corporate and market evaluation and prescription

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They are engaged in providing the theoretical justification for the colonization of the lifeworld by governmental discourses built around market principles. Consequently, a paradigm shift occurs in which the corporation is transformed from an instrument of social structure to a model of social structure.

2. The Political and Economic Context

I argue that from the late 1970s up to the present, corporations have moved to a more central space within the socio-political sphere. They have not replaced existing state institutions, but rather have colonized government's role as definer of social policies and social technologies. This movement occurs in conjunction with a set of political and economic transformations that developed in the post-war era as material conditions and knowledge systems interact in a complex feedback process, legitimizing and reinforcing one another. Several important critical works have been published tracing the development of the political and economic landscapes of post industrialism over the past few decades (Reich, 1983; Bluestone and Harrison, 1982; Thurow, 1980; Bowles, Gordon, and Weisskopf, 1983; Harrison and Bluestone, 1990). They offer surprisingly similar conclusions and I do not wish to duplicate their research here. Instead, I summarize some of the major themes presented in this work to outline the political and economic processes that are implicated in the shifting corporate knowledge about organizational processes.¹⁶

Transformations in the organization and flow of global capital are given various labels by scholars, including: disorganized capitalism, advanced capitalism,

post fordism, and so on. I will simply use post-industrialism. A major theme of the research on post-industrial developments is their roots in the decline of the corporate *Pax Americana*, beginning in the 1960s. Prior to that time, the post-war economic system was under American domination, as the United States was the only state economically and militarily strong enough to impose order on the (non-communist) world economic system. Under American hegemony, the world economy was characterized by 'Fordism' -- the socio-economic system that links mass production with mass consumption within the context of an uneasy relationship among business, labour, and government. Fordism fostered world trade and international investment flows under the umbrella of U.S. financial and military power, using the U.S. dollar as the world's reserve currency. Fordism was put into practice in Europe and Japan during post-war occupation, the Marshall Plan, and foreign direct investment by American companies.

This situation endured until the late 1960s when a number of processes and events began to converge to shift the equilibrium of the world economic system. Marchak (1991) summarizes the findings of critical researchers quite succinctly, outlining a set of important processes in the shaping of the current post-industrial landscape:

- a. Technological developments, first in transistor technology in the 1940s and later the integrated circuit in the 1960s, rendered much of the infrastructure of mass production industry obsolete. By the mid-1970s, with American power declining for other reasons, this new technology was providing the basis for new political and economic alliances around the globe. Although the technology was first developed by the American military in conjunction with the U.S. government, corporations, and scientists, this complex eventually lost its leadership of the high technology industry.

- b. American economic power had become linked to the growth of transnational corporations. These organizations adapted new technology to the communication systems to move capital more efficiently and to develop information-intensive service industries but they failed to advance the industries that produced the goods to be serviced. Established corporations did not invest enough money into research and development, new plants, or retraining the domestic labour force. Their offshore production policies created a new labour force and a new international division of labour.
- c. An increasing share of American national wealth was devoted to military maintenance, to wars, and to stockpiling for an anticipated conflict with the U.S.S.R. Integrated circuit technology was initially funded and advanced by military interests, which became an impediment to commercial applications.
- d. Japan re-emerged as a major industrial power, sustained by an organization of state and economy involving state planning, public investment in research and development, the assumption of political and economic leadership by an elite of business and governmental leaders.
- e. By the late 1960s, American products were overpriced in relation to other countries and in 1972, the U.S. government unilaterally devalued its dollar, removing the fixed dollar exchange ratio that had been the basis of monetary systems around the world, throwing the international money market into chaos.
- f. With the close of the Vietnam War, the U.S. lost its political and moral leadership around the world, and the U.S. government and military came under increasing critical attack at home.
- g. OPEC oil price increases in 1973-74 and the Iranian Revolution in 1979 signalled the end of American control over world oil supplies. This, along with control of the international monetary system, was a vital aspect of American hegemony. After this point, America's allies became much more economically independent of the U.S.
- h. The newly industrializing countries received transnational capital invested in semiconductor assembly operations and the manufacture of garments, small machinery, electrical products, and automobiles. Their free enterprise zones offered tax holidays, cheap and unorganized labour, and duty-free export of locally assembled products to the markets of developed countries. They became the competition for the U.S. domestic market.
- i. Once technology and oil prices increased, economies of scale became less decisive in determining profit rates, and fuel efficiency became important for the first time. Companies began to restructure their operations, divesting

themselves of units that were relatively less profitable, too burdened with old technology, or too fuel intensive. In the 1960s and 70s, when the technological revolution was just beginning, corporations shifted labour-intensive operations out of industrial centres. By the 1980s, the advantages of low-cost, unskilled labour had declined, and corporations brought some of their offshore units back to industrial centres where they could automate production and provide highly skilled services in what had now become highly competitive industries.

1. American and European corporations began to follow the Japanese model of organization, at least in spirit, to reorganize their operations as a set of sub-contracting units, in this way recreating a small business service sector tied to international capital. Unions could not penetrate these smaller organizations (Marchak, 1991: 253-56).

Lash and Urry (1987) characterize the social, economic, cultural, and political restructuring that has followed these shifts in international industrial structure as 'disorganized' capitalism, a clearly different capital regime than in the past. They argue that the current situation of disorganized capitalism is characterized by:

- a. A deconcentration of capital within national markets, a separation of finance from industry, and the decline of cartels in the face of tariff reductions, the increasing scale of industrial and banking enterprises, and the growth of the world market.
- b. A decline in the size of the core working class and the expansion of a service class of professional, white collar workers in the post-industrial core regions.
- c. A decline in the effectiveness of national-level collective bargaining and a corresponding growth in company and plant-level bargaining as companies flex their growing power to impose forms of flexible organization.
- d. An increasing independence of large monopolies from direct control and regulation by national governments.
- e. A decline in average plant size because of shifts in industrial structure, labour-saving capital investment, growth of sub-contracting, continuing export of labour-intensive activities to peripheral regions.
- f. The decline of metropolitan dominance within core nations: the loss of jobs and population in inner-city areas and a corresponding increase in smaller

centres.

- g. A weakening of concentration of industries in specific nations and regions
- h. A decline in the effectiveness and class character of political parties, an increase in cultural fragmentation, the emergence of global culture and an international consciousness within a 'postmodern' cultural configuration – as a result of shifting class and occupational composition, the commodification of leisure, the internationalization of the economy, the time space compression of new information technology (Lash and Urry, 1987: 5-7).

The end result of shifts in the global economic and political environment has been a threat to American corporate hegemony followed by a response of deregulation, increased mobility of capital, the undermining of labour organization, and organizational downsizing and restructuring partly in imitation of the more successful Japanese competitor. Corporations have, over the course of the 1980s and 1990s, disengaged themselves from any relationships to states and populations which could hamper the completely free exercise of competitiveness.

These are changes that result from the relationship between corporations and other actors in the environment. What was occurring in the internal environment of the corporate sphere at the same time? Useem (1990) draws upon a range of research studies to conclude that during the 1980s, much of the restructuring that occurred within organizations and industries can be construed as a reversal of the managerial revolution that had characterized corporate organization for most of the twentieth century. Beginning in the 1970s, when North American corporate profits began to decline, the internal rhetoric of corporate managers placed the blame on the role of governments in social regulation - environmental protection, occupational health and safety, and equal opportunity employment policies.¹⁷ Rather than engaging in internal

reorganization, corporate management targeted reduction in government intervention in the marketplace (Vogel, 1989).

Despite the change in the American political climate in the early 1980s, corporate financial performance continued to decline and the search for the lack of American competitiveness turned inward to management itself. Poor performance came to be blamed on entrenched managers and bloated bureaucracies that were unresponsive to shareholder interests (Useem, 1990: 684). This led to three main responses to increase shareholder value: downsizing the workforce, corporate raiding, and leveraged buyouts by which top managers became major shareholders in the firm. To measure the scope of restructuring, Useem employs two variables: the fraction of companies that undertook significant reductions in their workforces, and the number of corporations where there were changes in ownership.

He finds that by the mid-1980s, approximately half of American corporations had undergone significant downsizing and over the course of the 1980s, the number of publicly-traded companies which experienced turnovers in ownership had increased considerably.¹⁶ Useem interprets this trend as an attempt by shareholders to curtail the agency of professional managers who have developed their own career interests beyond the interest of maximizing shareholder value and who may have become too responsive to outside community pressures to be more socially responsible. This places pressure on corporate management to transform its roles and practices to survive this power shift. The prescriptions of business intellectuals for organizational transformation can be read, in part, as responses to this internal political environment

as professional managers seek to find new roles for themselves within the delayed corporation of the 1980s and 1990s and to find a rationale for a continued regime of managerialism.

3. The Political Culture Context

Shifts in the political economy of the global order and in power relations between owners and managers correspond to changes in corporate and governmental discourses around governance as evidenced by the growth of the New Right within Western states. Once again, I do not wish to replicate the sizable literature that has been produced on this topic (Hall, 1988; Marchak, 1991; Teeple, 1995). Neo-liberalism is currently associated with the New Right political movement in the Western world. It is the liberal component of an uneasy alliance between liberals and conservatives, which leads to considerable contradiction and divergence in the writings of the New Right. Whereas the neo-liberal branch of the New Right emphasizes extreme individualism, totally free markets, and unmediated competition the neo-conservative branch advocates law and order, a more disciplined society, and more authoritarian government. Andrew Belsey (1986), in reviewing New Right literature, differentiates between neo-liberalism and neo-conservatism by listing the five primary values of each in priority. Neo-liberalism embraces: the individual freedom of choice, market security, laissez-faire, and minimal government. On the other hand, in neo-conservatism the key values are: strong government, social authoritarianism, a disciplined society, hierarchy and subordination, and the nation.

Here, I am concentrating on the neo-liberal wing of the New Right movement because it is the most relevant when discussing the manner in which corporations have adopted and contributed to the New Right knowledge system during the 1970s to the 1990s. Within neo-liberalism, there are three primary principles, clearly enunciated by the foremost philosopher of neo-liberalism, Friedrich Hayek. First, Hayek argues that "The market is essentially an ordering mechanism" (Hayek, 1983: 19). The market provides not only an *economic* order but also a *social* order and should be the primary medium of social transaction. Second, government mediates the effects of the market upon the social sphere, imposing the oppression of political control over the freedom of market regulation. Therefore, governments are oppressive and should be extremely circumscribed. Third, the social subject, in this formulation is an economic subject of self-interest, a natural entrepreneur with a drive to create, produce, and learn within the context of rational market choice. There are contradictions in Hayek's views, stemming largely from his assertion that individual liberty is the ultimate value but, at the same time, individuals must be subject to market discipline which elevates more talented entrepreneurs above everyone else. Society becomes hierarchically ordered according to entrepreneurial success and subordinated to an abstract set of market rules.

In comparison, Robert Nozick (1974) takes a slightly more moderate position, arguing for a continued role for government in protecting the natural rights of people, particularly the right to private property. Defense of property is the only justifiable role of the state, and government should not be allowed to expand beyond this role.

Neo-liberalism, then, is premised upon the superiority of market mechanisms as a promoter of both economic prosperity -- because of its supposed efficiency -- and of the maximization of individual freedom through limiting state intervention. There is an assumption that the social order is largely self-regulating and there is no need for state intervention except possibly to minimize market distortions and offset market failures. From the perspective of neo-liberals, the post-war Keynesian state intervention has failed and should be eliminated (King, 1987).

As I demonstrate throughout this thesis, the same discursive formation that forms the neo-liberal approach to governance informs the organizational governance prescriptions of business intellectuals within the business restructuring genre. What they share is an adherence to a knowledge system premised upon the imperative of entrepreneurial flexibility in the face of market shifts. Some business writers expressly incorporate neo-liberal philosophy into their writing (Peters, 1994) while most others share the ideas through more indirect intertextual processes. The reverse is true as well; business intellectuals have influenced the direction of neo liberal thought and most certainly the policy directions of New Right governments around the world.

4. Convergences Between Corporations and Neo-Liberals

Neo-liberal political thinkers and organizations have existed since the development of the Keynesian welfare state which they so strongly oppose.¹⁹ In Europe, North America, and Japan, organizations of academics, politicians, and

business leaders developed throughout the 1950s and 1960s, holding conferences and publishing literature espousing the views of neo-liberalism and calling for the market order to supersede government order (Marchak, 1991: 95). However, neo-liberalism remained on the political fringes, with little impact upon mainstream politics of North America and Europe until the 1970s (Marchak, 1991: 99). It was during the 1970s that the United States perceived a decline in the strength of the corporate *Pax Americana*, creating a near panic as American business intellectuals sought reasons to account for the decline of American corporate dominance. Given their declining fortunes, relatively speaking, business leaders began to take an interest in public policy as a route toward business renewal. Although business leaders have always maintained strong political lobbies, they publicly eschewed the role of leaders of public opinion and policy planning in North America until the 1970s. In the late 1970s, this changed and, not coincidentally, at the same time, neo-liberal discourse became politically prominent in North America.

I do not wish to suggest that business intellectuals and practitioners in general are devoted advocates of neo-liberalism or the New Right. The politics of corporations are based more on contingency than commitment to a strongly articulated political creed. I do suggest, however, that there has been a convergence between corporate interests and New Right intellectuals, which has been mutually reinforcing. Also, the alliance between the New Right and business in the U.S. contributed to the rate at which market-oriented studies have been produced, the public exposure they have been given, and the influence they have had on public policy.

In its early stages, neo-liberalism and the New Right had little to do with business. The idealized social visions of Hayek and Nozick involved small scale entrepreneurs rather than transnational corporations, and the neo-conservative element of the New Right was more concerned with critiques of youth culture and the New Left's criticism of U.S. foreign policy (Vogel, 1989: 226). By the middle of the 1970s, the New Right discovered the corporation and began to support it, largely because of their common enemies, most notably the "new class", which, it was argued, sought to remove control of the economy from 'ordinary' consumers and workers and place it in the hands of the new middle class.

Vogel points out that in 1981 and 1982, two important books were published that provided an intellectual rationale for capitalism: *Wealth and Poverty* (1981) by George Gilder and *The Spirit of Democratic Capitalism* (1982) by Michael Novak. Gilder emphasized the importance of entrepreneurship and linked the creation of wealth to spiritual enlightenment. Novak focused on the links between capitalism and democratic pluralism. Both of these works were widely read and discussed. Interestingly, President Reagan gave a copy of *Wealth and Poverty* to each member of his cabinet (Vogel, 1989: 227).

Meanwhile, business' self-perception in the 1970s reflected a sense of panic in the face of foreign competition. Reginald H. Jones, CEO of the General Electric Corporation, wrote in the *Harvard Business Review* that "business must convince an indifferent public and skeptical Congress that this country is facing a severe capital gap." He added:

It is obvious to every businessman who has worried over his balance sheet and cut back on his planned investments that corporate tax reform is needed. But it is not obvious to the public and to a Congress that reflects several decades of anti-profits politics. The business community has a selling job to do. The problem of capital formation, and the consequences of inaction, must be set forth in compelling, job-and-pocketbook terms that voters can understand and that politicians will respect (Jones, 1975).

Norman Macrae, the deputy editor of the *Economist* stated:

The bad news for the world's teeming masses this bicentennial is that in America the whole concept of thrustful business is in danger of becoming unloved. The intellectuals have joined in the sneering against it, making it fashionable to believe that stagnation is not only wise but clever (Macrae, 1975: 7).

Vogel (1989) traces the steps taken by American corporations to influence public policy during the 1970s and 1980s. A survey of 400 large and medium-sized U.S. corporations in 1981 found that 361 had public-affairs units, more than half of which had been created since 1970, and nearly a third of which were established between 1975 and 1979 (Vogel, 1989: 195). There was also a notable increase in political activity on the part of CEOs. A 1976 survey showed that 92 percent of the CEOs polled indicated that they were spending more time on external relations than they had earlier in the decade. A 1978 survey of the Fortune 1000 showed that CEOs were spending on average 40 percent of their time on public issues, twice the amount spent two years earlier (cited in Vogel, 1989: 196).

At the same time, between 1971 and 1982, there was a four-fold increase in the number of business firms with registered lobbyists in Washington (Vogel, 1989: 197). One particularly effective lobby group established in 1972 was the Business Roundtable, whose membership was restricted to the CEOs of the largest

corporations. Given the economic clout of the members of this organization, few politicians could afford to ignore its policy recommendations (Vogel, 1989: 198). Business not only increased the resources put into the governmental process but also the manner in which they were deployed. Particularly important was the increase in political alliances within the corporate community, giving it a much more unified voice than in the past (Vogel, 1989: 200).

This level of overt political involvement on the part of corporations was a response to the threat to American corporate profitability.

So long as macroeconomic policies secured steady economic growth, firms and industries had only to consider their own political goals. By the 1970s, however, declining productivity and international competition challenged U.S. corporations to discover new means of coordinating the economy without at the same time centralizing authority in either the business sector or government agencies. This led to a firm-centred conception of public affairs and political action which has been responsible both to the firm's interests and to broader business interests (Kaufman, Marcus, and Zacharias, 1987: 294).

Corporations were content to leave macroeconomic policy up to the government as long as government showed no signs of interfering in managerial autonomy.

However, with the downturn in profits in the 1970s, the corporate world became much more involved in protecting its autonomy from government and in gaining control of the public policy agenda. Kaufman, Marcus, and Zacharias trace the activities of the Committee for Economic Development, a prominent corporate lobby group in the U.S., in influencing government policy, noting:

In the hopes of improving productivity, the CED advocated a review of economic regulation that had long protected certain industries from market competition. The CED also believed that regulation—civil rights, safety, environmental, and consumer—as it was constructed,

interfered with managerial prerogatives and so worked against sound economic decisions.... Consequently, the CED desired that such social regulations be reviewed on a cost-effective basis and that market incentive policies be adopted (Kaufman, Marcus, and Zacharias, 1987: 301).

Analyses of business power tend to be premised upon certain political science views of the relationship between corporations and government. Pluralists hold that business is simply another interest group in the political arena without a favoured status, while critics of that position argue that business forms, in effect, a private government with a privileged position in the political arena due to its economic power. Vogel criticizes both perspectives for assuming that corporate power is relatively stable over time (Vogel, 1989: 6). He argues that in fact there have been a number of fluctuations in business' ability to sway government policy: in the first half of the 1960s, corporate power was stable; in the mid-1960s to the mid-1970s, corporate power declined; in the mid-1970s to the early 1980s, there was an increase in corporate power; and in the mid to late 1980s, corporate power declined again. However, one must question Vogel's assessment of power, at least as it applies to the 1980s and 1990s. He bases his conclusion on the types of legislation passed by Congress in a given period and statistical indicators of public confidence in business. From the perspective of the mid-1990s, I suggest another factor must be taken into consideration as well -- a process I refer to as *modelling*, by which governments, beginning in the early 1980s, began to model their organization after that of the corporation.

Studies such as Vogel's demonstrate the manner in which corporate objectives

and government policies have converged over the course of the 1980s in North America and the U.K. as a result of business lobbying. However, an equally fruitful avenue of research is to look at the corporatization of government as a process of modelling in which government becomes corporatized because it adopts the corporate model of organization, rather than through a direct take-over of decision-making by corporate leaders. Just as the family served as a model of governance prior to the sixteenth century, my analysis suggests that the corporation serves as a model of governance in the 1990s.

The linkages between corporate and governmental decision-makers remain strong in the 1990s. A recent *Business Week* article reports on the cadre of CEOs who form an informal cabinet for Newt Gingrich, the neo-liberal House Speaker of the U.S. Congress. These include "small and medium-size companies, and a smattering of big ones, that are often privately held and headed by entrepreneurs who chafe under the yoke of federal regulation" (Dunham, 1995: 81). The author goes on to state,

Gingrich's reliance on these new faces doesn't mean he disdains old-line corporate titans. As he looks for ways to shrink government, the Speaker says he has met with more than 20 CEOs ... who have transformed big bureaucracies. 'He wants to know how many of the lessons of corporate downsizing, rightsizing, and reengineering are directly applicable to the federal government,' says Snow [CEO of CSX Corp.] (Dunham, 1995: 81).

At the same time, American President, Bill Clinton, established the Gore Commission, shortly after coming to office in 1992, to study means "to redesign, to reinvent, to reinvigorate the entire national government" (quoted in Peters and Savoie,

1993: 1). The Gore report was heavily influenced by a book written by David Osborne and Ted Gaebler, *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector* (1992). This book applies the principles and rhetoric of corporate reengineering to government bureaucracies with the purpose of making government operate more efficiently, that is, in a manner more responsive to market pressures and which is 'customer driven'. Osborne and Gaebler deny wanting to convert government into a type of business -- that would subvert the democratic process. They do, however, want to transform government *organizations* into entrepreneurial organizations (Osborne and Gaebler, 1992: 22).

Clinton's initiative is not entirely new although it is updated for the 1990s. Upon coming to power, Margaret Thatcher appointed Derek Rayner, CEO of Marks and Spencer, to head an efficiency exercise in government. After a period of study, Rayner announced that his ultimate goal was to change the "civil service culture ... and the attitudes held by civil servants" (quoted in Peters and Savoie, 1993: 5). The process of governmental reengineering set into motion by Rayner continues on in the present British administration and is considered a success for the number of jobs cut and the money saved.

Ronald Reagan undertook a similar initiative with the Grace Commission, a government restructuring commission with an executive committee of 161 members, 80 percent of whom were executives from the largest American corporations, and a staff of 2000 volunteers from the private sector. The private sector paid all of the expenses involved, estimated at \$75 million (Peters and Savoie, 1993: 6-7). Unlike

the British experience, the American restructuring process was considered to be unsuccessful. The Grace Commission made too many recommendations which covered too many areas of government with the result that it had little impact on government organization.

The point is that since the 1980s, government in the U.S., Britain, and elsewhere, has been involved in an attempt to rethink governance along lines that were initiated by the corporate sector and have employed business intellectuals and practitioners to spearhead the attempt. I argue that this kind of fundamental change is more important in the long term than indicators of corporate political donations, lobby groups, and public confidence in corporations. Governmental restructuring of this type involves a shift in the discursive understanding of government -- what government means and the role it should ideally play within the social sphere. It also centres business intellectuals and practitioners as valued producers of social knowledge, giving them a higher public profile and simultaneously displacing social scientists as producers of governmental knowledge. By reengineering government, neo-liberal and business intellectuals are reshaping governance to be more market oriented, thereby moving it away from questions of social wealth redistribution toward the same market considerations that guide corporations. As a result, corporations have become the model for social governance. This is, in part, a result of a more general governmental shift toward risk-based governance with the primary risk being the chaotic global economy. This economic environment must, within neo liberal thinking, override other social concerns in favour of the competitive imperative

which is a survival imperative.

5. The Organizational Context: The Japanese Model

What is the mechanism by which North American corporations and governments can survive the environment of global 'disorganized' capitalism? According to business intellectuals, survival requires an ongoing process of organizational transformation to find ways to continuously improve productivity. In the 1980s, the first step in transforming organization was to turn to new computer and information technologies. During the 1980s, U.S. businesses invested more than one trillion dollars in information technology (Business Week, 1993). More than 88 percent of this investment was made in the service sector and by 1992, almost all white collar workers in the U.S. had access to \$10,000 in information-processing hardware (Roach, 1992). Nevertheless, despite the heavy investment in technology, productivity did not substantially increase (approximately one percent per year) during the 1980s and CEOs began to question the "productivity paradox" of new technology (Rifkin, 1995: 91). However, just as the productivity problem began to appear hopeless, the business press began to report a major turnaround.

In 1991, output per hour increased by 2.3 percent and in 1992, productivity increased to three percent, the best performance in two decades (Business Week, 1993). MIT's Sloan School of Management published productivity data collected between 1987 and 1991, in which 380 large corporations generated an aggregate output of \$2 trillion per year, due largely to productivity gains (Brynjolfsson and Hitt,

1993). The report found that between 1987 and 1991, return on investment for computer capital averaged 54 percent in manufacturing and 68 percent for manufacturing and service combined. What was 'clear' from the report was that the failure to achieve productivity gains in the early 1980s lay not with the technology but with outdated bureaucratic structures that could not accommodate the capabilities of the technology.

The critique of bureaucratic organization was not new. Corporate culture literature of the early 1980s encouraged North American industry to adopt the more flexible Japanese organizational forms to better compete in the global marketplace. The origins of modern Japanese organization can be found in Toyota's 'lean production' method which "combines the advantage of craft and mass production, while avoiding the high cost of the former and the rigidity of the latter" (Womack, Jones, and Roos, 1990: 13). Through bringing together teams of multiskilled workers at every level of the organization to work along with automated machines, lean production allows for high volume production as well as a greater degree of variety in products. It also allows for substantial reductions in labour, manufacturing space, capital, inventory, and product defects (Womack, Jones, and Roos, 1990: 13).

In the Japanese manufacturing model, the traditional management hierarchy is replaced by multiskilled teams that work together at the point of production. Workers, technicians, and engineers interact face-to-face to produce joint decisions on the work floor. People from all divisions are also invited to participate in the design process, which avoids costly delays from unforeseen problems in implementing the

new designs (Machlis, 1990: 36-37). The key to the success of Japanese methods is 'continual improvement' or *kaizen*. Unlike North American methods in which innovations are made when products change over, the Japanese system is designed to encourage constant improvement as an aspect of day-to-day operations.

Work is organized around work teams, which are given considerable autonomy in the production process. Any problems in the process of production are resolved by the team without need to stop production to notify supervisors and technicians from another division. The result is fewer breakdowns and a faster production process because workers on the line are able to anticipate problems and resolve them quickly when they occur. A study conducted by Harbour (1985) on the automotive industry found that U.S. equipment was down more than 50 percent of the time while equipment in Japanese factories was down less than 15 percent of the time (Harbour, 1985: 32). The team model ideally creates greater efficiency by encouraging workers to become multiskilled and, therefore, having a grasp of the entire production process. To assist in this learning process, Japanese corporations provide employees access to all computerized information generated within the company.

In this way, decision-making can be pushed down the hierarchy to be at the point of production, creating a more egalitarian environment, which is further promoted by the sharing of common facilities by managers and workers (cafeteria, parking lot). To further encourage openness and close working relations, managers sit at open desks on the factory floor. Because managers are usually promoted from within the workforce, they are more likely to understand the special needs of the

employees and teams under their supervision and are in a better position to establish strong personal bonds with the workers. This closeness encourages the success of 'quality circles' in which workers meet before or after work hours to discuss improvements in the production process (Rifkin, 1995: 99).

A final characteristic of the Japanese model is the priority placed on 'just in-time' delivery or stockless production. The idea was actually borrowed from American supermarkets when Taiichi Ohno of Toyota Motors visited the U.S. in the 1950s. He was surprised at the speed and efficiency with which supermarket shelves were quickly and efficiently stocked with the items consumers wanted in the amounts needed (Ohno, 1988). Whereas American automobile manufacturers traditionally have stored large and redundant inventories of parts and equipment in anticipation of having to replace defective and faulty parts and equipment, the Japanese JIT system calibrates the flow of supplies so that large inventories become unnecessary. The parts arrive at the time they are needed in the production process, eliminating the need for storage space and the costs of idle time on the production line due to supplier delays. The production of parts is dictated by the requirements of the next stage of the production process and each container of parts is returned to the supplier as soon as the parts are used up, signalling the need for more parts (Barnet and Cavanagh, 1995: 267).

This is the idealized model of corporate organization of production that North American business intellectuals have seized upon as a model not only for manufacturing but also for service and knowledge work within white collar offices.

Womack, Jones, and Roos (1990) argued that the Japanese model would spread beyond the automobile industry and "change everything in almost every industry" (Womack, Jones, and Roos, 1990: 12). Business intellectuals argue that the distinction between blue collar and white collar work is disappearing as factories become increasingly automated and factory work becomes more abstract and knowledge intensive. Factories are becoming more like laboratories for experimentation and technical advancement and less like the physically intensive production lines of the past (Kenney and Florida, 1993). More important than utopian visions of intellectual work is the 'bottom line'. An MIT study comparing a Toyota facility to a GM facility found that at the Toyota factory, it took 16 hours to build a car in 4.8 square feet of work space per vehicle per year, with .45 defects per car. At GM, it took nearly 31 hours in 8.15 square feet with 1.3 defects. Toyota could build cars faster, with less space, with fewer defects, and with half the labour (cited in Rifkin, 1995: 100).

The response to this model within North American-based corporations has been to 'reengineer' the workplace, a term introduced by Michael Hammer and James Champy (1993) to describe a series of steps toward radical corporate restructuring to enhance efficiency and harness the full capacities of information technology. In a nutshell, reengineering entails deconstructing organizational hierarchies, virtually eliminating middle management, organizing around work teams and networks of teams and individuals, and compressing several jobs into one process and using computers to coordinate functions across teams. This is intended to accelerate

production time and establish a computerized structure to replace the control and coordination functions of management which tend to slow down the work process by intercepting information that comes into the corporation and taking time to process it.

There is evidence that this type of restructuring has had significant impacts on productivity and profits. In addition to the studies cited above, business restructuring literature is full of success stories of how top-performing corporations have reengineered and, thereby, made substantial growth in profits. A *Business Week* report summarizes much of the business restructuring literature and outlines the general organizational strategy involved:

Organize around process, not task. Instead of creating a structure around functions or departments, build the company around its three to five 'core processes,' with specific performance goals. Assign an 'owner' to each process.

Flatten hierarchy. To reduce supervision, combine fragmented tasks, eliminate work that fails to add value, and cut the activities within each process to a minimum. Use as few teams as possible to perform an entire process.

Use teams to manage everything. Make teams the main building blocks of the organization. Limit supervisory roles by making the team manage itself. Give the team a common purpose. Hold it accountable for measurable performance goals.

Let customers drive performance. Make customer satisfaction -- not stock appreciation or profitability -- the primary driver and measure of performance. The profits will come and the stock will rise if the customers are satisfied.

Reward team performance. Change the appraisal and pay systems to reward team results, not just individual performance. Encourage staffers to develop multiple skills rather than specialized knowhow. Reward them for it.

Maximize supplier and customer contact. Bring employees into direct, regular contact with suppliers and customers. Add supplier or customer representatives as full working members of in-house teams when they can be of service.

Inform and train all employees. Don't just spoon-feed sanitized information on a 'need to know' basis. Trust staffers with raw data, but train them in how to use it to perform their own analyses and make their own decisions (Byrne, 1993).

This is the broad outline of what business intellectuals have prescribed for organizational form in the 1990s. It is where North American corporations are at in terms of their knowledge of how to compete in the global economy at the end of the twentieth century. It is an idealized model, a *flexible* organization, which may never come into full practical use but, as a knowledge system, it is driving corporate organization in a particular direction and what is striking is the relative unanimity of business intellectuals in prescribing it. Because of this intertextual congruence, the model has taken on the status of a universal form; it is to post-industrialism what bureaucracy was to industrialism. As such, business intellectuals prescribe the flexible organization as *the* solution to the organizational woes of all types of social institutions from families to government bureaucracies.

6. Summary

The flexible corporate organization has resulted from the convergence of a number of discursive and material social, political, and economic transformations which have changed not only forms of governance but also understandings of how people should be governed. It is the organizational result of: shifts in the discursive

formation of governance toward an understanding of society as a *risk* society; the collapse of the corporate *Pax Americana* which regulated global economic processes in the immediate post-war period; the development of disorganized capitalism based around decentralized transnational corporations with mobile capital in a world of increasingly fluid national tariff boundaries; the rise of neo-liberalism and the New Right as an increasingly dominant and alarmingly unopposed version of liberal governance based upon the fears of the risk society; and a change in the balance of power between corporate owners and corporate managers, requiring managers to justify and redefine their roles in the corporation and to develop organizational processes that will return corporations to the main task of increasing shareholder value.

As sociologists have pointed out, and as business intellectuals admit, these changes have had the effect of increasing unemployment and destroying the financial viability of communities. This has been the main avenue of social science critique to date, but in the subsequent chapters, I draw attention to the new corporate form as a discursive technology which incorporates the governmental concerns of neo liberalism and managerialism into a structure of control which is less explicit than in the past. In addition to the economic effects of corporate restructuring, what are its effects in terms of social control mechanisms? If, as Peter Drucker (1993b) asserts, we are living in an 'organizational society', how are social subjects regulated within the new type of organization that currently informs business, governmental, and social restructuring?

V. From Corporate to Entrepreneurial Culture:

The Historical Formation of Flexibility

Beginning in the late 1970s and early 1980s, a shift occurred in business literature, corresponding to, and contributing to, political, economic, social, and cultural shifts in North America as discussed in chapter 4. After briefly tracing the development of post-war business writing, I argue that corporate culture discourse emerged in the early 1980s as a response to the declining fortunes of American corporations and acted to form a new genre of business writing dedicated to responding to social risk as well as market risk, by attributing a greater degree of governmental functioning to corporations. I proceed to trace the process by which corporate culture discourse evolved away from a Japanese communalistic model toward an entrepreneurial model which I refer to as 'entrepreneurial culture'. This particular discourse is a predecessor to 1990s flexibility discourse and it was during the late 1980s that many of the concerns and goals of 1990s business restructuring literature were developed.

Literature about how to improve business performance and processes dates back at least to the nineteenth century, if not before. Arguably, Adam Smith's *Wealth of Nations* (1776), Robert Owen's *A New View of Society, or Essays on the Principle of the Formation of the Human Character and the Application of the Principle to Practice* (1813), as well as Charles Babbage's *On the Economy of Machinery and Manufactures* (1841), are early works addressing 'proper' organization

and management. These works were much concerned with the link between production and social organization. Business-oriented texts have always contained an element of social prescription, but the extent to which it is an overt aspect of the writing has varied over time, as has the nature of the prescriptions.

The literature can be divided, I suggest, into three broad categories, particularly in the second half of the twentieth century. These include: *social science literature*, produced primarily for academic audiences and utilizing social science theory for purposes of critique and/or theoretical model-building; *practitioner literature*, aimed at an audience of executives, consultants, and business academics, using business theory to illuminate and solve the problems of business, and, more recently, *popular business literature*, aimed at an audience of employees and interested general readers, discussing life in the organization, how to get ahead in the workplace, and, in some cases, the relationship between work life and everyday life. Quite often a particular work fits into more than one category.

For example, William H. Whyte's, *The Organization Man* (1957), was written by a business practitioner, utilizing social science theoretical principles, and addressing issues of general concern, marketed to a popular audience. As well, there are other closely-related genres of business writing focusing on leadership (Maccoby 1978), the role of corporations in social change (Drucker, 1993; Barnett and Cavanagh, 1995; Rifkin, 1995), personal self-fulfillment through work (Williams, 1978), and others. There is considerable overlap among the three categories in terms of the institutional affiliations of the authors, the intended audiences, and the

knowledge systems used in the production of the texts.²⁰

1. Communalism/Entrepreneurialism and Nature/Technology: Axes of Discursive Change in Post-War Business Literature

Barley and Kunda (1992) conducted an extended literature review of texts produced between 1870 and the 1980s, concluding that organizational literature can be classified into five periods: industrial betterment (1870-1900), scientific management (1900-1923), welfare capitalism/human relations (1923-1955), systems rationalism (1955-1980), and organizational culture (1980-present). After examining these periods, Barley and Kunda conclude that rather than a linear evolution of management discourses over time, there has been instead an alternation between two meta-principles: normativity v. rationalism (Barley and Kunda, 1992: 364). Normative discourses of management portray the organization as a collective of shared values. Rational discourses emphasize the machine metaphor; productivity stems from expertise and efficient systems (Barley and Kunda, 1992: 384). The authors do not distinguish, however, between academic and practitioner literature, even though both types are included in their analysis, and do not examine popular business literature at all.²¹ I suggest that if they made this distinction and included the popular work, they might draw different conclusions or, at least, a more detailed classification scheme, especially in the post-World War II period.

Barley and Kunda establish a dualism based around the concepts of normativity and rationalism but this binary can, I suggest, be expanded into a pair of intersecting binaries that provide a more detailed frame for analysis of shifts in business discourse

as produced in business literature: communalism/entrepreneurialism and nature/technology. 'Communalism' refers to the principle of organization as a community of interest in which organization members share a common set of values. 'Entrepreneurialism' is its binary opposite, emphasizing the individual subject of interest who makes rational choices on the basis of self-gain. 'Nature' refers to a definition of organization as a non-rational grouping of people who live according to universal principles of human nature; this construct portrays corporate organization as having elements in common with rural village societies or even tribal societies. 'Technology' is a perspective which defines organization as operating according to the rational principles of the machine; rationality lies with the organization, rather than the individuals who comprise it.

Applying this model to the immediate post-World War II period, which Barley and Kunda label as "systems rationalism", arguably a number of competing and successive discourses developed. Certainly, in the two decades following the end of World War II, a systems rationalism discourse of business organization and management dominated. This was the result of a number of developments including the success of military logistic, quantitative analysis during the war (Crowther and Whiddington, 1948), the development of computer systems, and the implementation of mainframe infrastructures during the 1950s. The result was a popularization of cybernetic language in management science as well as an economic and cultural centralization of science and engineering within North America (Beniger, 1986).²²

Social science literature of the period tended to concentrate on critiques of the

implications of this systematization for communities and social subjects. Reisman (1950) argued that a new social character was emerging in the salaried bureaucratic classes of America. In contrast to the inner-directed entrepreneur and craftsman of an earlier age, American corporate managers were becoming outer-directed and people-oriented, manipulating human relations techniques to oil the machinery of bureaucracy. W.H. Whyte (1957) worried that the corporate "social ethic" would destroy individual initiative and create a society of collective security-seekers. C. Wright Mills (1956) argued that the danger of the evolving form of corporate conformity lay in its potential to undermine the human spirit and alienate individuals from their powers of craftsmanship, reason, and decision-making -- an argument more recently echoed by Habermas (1984).

The systems rationalism discourse of corporate management was premised upon the principles of communalism and technology, constructing the organization as a rationalized, unitary community of interest operating upon the strict machine-like principles of bureaucracy and the electronic technology that made it increasingly efficient. During the course of the 1960s and 1970s, however, the discourse began to shift toward entrepreneurialism and nature as social discourses, in general, became more radicalized, reflecting a breakdown in perceptions of social solidarity and a greater emphasis on diversity. Although systems rationalism remained a strong system of organizational knowledge, business practitioners began to construct alternate knowledges based around the notion of conflict, questioning the unitary model of organization, and empirically demonstrating its limitations.

A number of academic researchers found that bureaucracies were hotbeds of interpersonal rivalry (Downs, 1967), departmental competition over corporate roles (Crozier, 1964; Pettigrew, 1973), conflicts over resource allocation (Hofstede, 1967), and the development of factionalism within organizations (Cyert and March, 1963). Practitioner-oriented literature followed similar themes (Filley, 1975; Pfeffer, 1978; Pondy, 1967; Tichy, 1973). During this period, popular business literature became more prominent, connecting ideas about the internal politics of organizations to other social discourses of the time which were exploring the boundaries between the human and the animal (Burger, 1971; Heller, 1972; Maccoby, 1978). Many of these works made explicit analogies between corporations and tribal societies, creating a discourse of organization that could be labelled as the 'corporate jungle' (Cleverly, 1973; Jay, 1973).

The next shift in post-war organizational discourse, organizational culture, began to appear in the second half of the 1970s. It shifted toward communalism and nature as the bases of organization, but was also the beginning of something different in management knowledge. It was the beginning of a step forward in the rationalization of discursive constructions of organizations and of society as a whole. Business intellectuals turned their attention, in a systematic way, to analyzing the intangible motivations and practices of human behaviour, and developing technologies to turn cultural knowledge and interaction into avenues for increased efficiency and profitability.

2. The Historical Emergence of Corporate Culture

By the early 1980s, a new organizational representation, based around the notion of 'culture', emerged in dialogue with other material and discursive forces. It changed the direction of management conceptions of corporate organization, leading to the current concern over flexibility. Trice and Beyer trace the roots of the cultural approach back to the involvement of anthropologists in the Hawthorne studies of the early 1930s in the United States (Trice and Beyer, 1993: 24). In the 1950s and 1960s, cultural analysis of organizations proceeded in a non-sustained manner, some notable research including that of Roy (1952), Dalton (1959), Jacques (1951), Selznick (1957), and Schein (1969). These works generally involved ethnographic observation of the workplace and, in some cases, the scholars involved were actually anthropologists or folklorists. Consequently, their research was not brought to the attention of organizational scholars (with some exceptions) (Trice and Beyer, 1993: 29). However, beginning in the early 1970s, a small number of management scholars began to look at organizational management and work processes using qualitative methods. Quantitative analysis had become so dominant in the field that these works created a stir, most notably those of Clark (1970), Mintzberg (1973), and Pettigrew (1973).

As a consequence of the reemergence of qualitative research methods, a number of organization analysts began to look more closely at the role of intangible aspects of organizational practice -- the informal organization -- specifically the role of symbolism, narratives, and values in employee and management behaviour (Pondy

and Mitroff, 1979; Smircich and Morgan, 1982; Turner, 1971). In the popular business press, *Business Week* (1980) and *Fortune* (1982) magazines published a number of articles about corporate culture.

Barley, Meyer, and Gash (1988) demonstrate, through an historical analysis of 'culture' literature in academic journals and practitioner magazines, that as social scientists were developing the organizational culture concept, practitioners were doing so simultaneously. Their works were published in journals and books aimed at an audience of consultants and practitioners (Silverzweig and Allen, 1976; Peters, 1978; Ouchi and Price, 1978; O'Toole, 1979). There is some debate over who influenced whom. Organ and Hamner (1982) argue that organizational theorists progressively refine models of organizational behaviour, providing practitioners with increasingly useful tools. On the other hand, Perrow (1972) argues that new paradigms become popular in organizational theory because they cater to the problems faced by practitioners at a given time. Barley, Meyer, and Gash (1988) reject both perspectives as constructing simplistic hierarchies of knowledge diffusion and argue instead for a more interactive view of how these two knowledge communities contribute to, and feed off of, each other. What is clear from Barley, Meyer, and Gash's research is that over the course of the 1980s, academics moved more toward the practitioners' view of culture than vice versa.

In attempting to define the reasons for the turn to culture discourse in social science and practitioner organization theory, an oft-repeated narrative has been developed in both types of literature. Trice and Beyer (1993), for example, state:

What made the concept of organizational culture suddenly so attractive to managers, the press, and scholars? Two sets of parallel developments led in this direction. One was the turbulence and difficulties that U.S. firms were experiencing in competing with organizations from countries with very different cultures. The second was a growing realization by some organizational scholars that structural-rational approaches to understanding organizations missed crucial aspects of how organizations functioned and how they affected the lives of their members (Trice and Beyer, 1993: 30).

Development of organizational culture theory is linked, in this formulation, to rational choices on the part of corporate executives as they realize the magnitude of the risks posed by, primarily Japanese, competition. As I discussed in more detail in chapter 4, in searching for the reasons for Japanese success and American decline, they discover that American management methods are not competitive because they do not manage the less tangible aspects of organization.

In addition to the external threat of Japanese competition, organizational culture literature was also partly a response to perceived internal dangers of socioeconomic changes within the United States, defining these as crises, a collapse of traditional forms of social organization. For example, in his best-selling book, *The Culture of Narcissism*, Christopher Lasch (1979) describes the predicament of American society:

Hardly more than a quarter-century after Henry Luce proclaimed "the American century," American confidence has fallen to a low ebb. Those who recently dreamed of world power now despair of governing the city of New York. Defeat in Vietnam, economic stagnation, and the impending exhaustion of natural resources have produced a mood of pessimism in higher circles, which spreads through the rest of society as people lose faith in their leaders (Lasch, 1979: 17).

Lasch goes on to identify the source of cultural malaise:

Much could be written about the signs of new life in the United States. This book, however, describes a way of life that is dying -- the culture of competitive individualism, which in its decadence has carried the logic of individualism to the extreme of a war of all against all, the pursuit of happiness to the dead end of a narcissistic preoccupation with the self. Strategies of narcissistic survival now present themselves as emancipation from the repressive conditions of the past, thus giving rise to a 'cultural revolution' that reproduces the worst features of the collapsing civilization it claims to criticize.... The new narcissist is haunted not by guilt but by anxiety. He seeks not to inflict his own certainties on others but to find a meaning in life (Lasch, 1979: 21-22).

Lasch is favourably quoted by practitioner business writers such as Maccoby (1983), who imports Lasch's view of American character to describe the American worker of the early 1980s.

Perceptions of the external threat from the Japanese and the internal threat from social decay intersected in the formal organization. Management consultants such as William Ouchi (1982), Richard Pascale and Anthony Athos (1982), Thomas Peters and Robert Waterman (1982), and Terrence Deal and Allan Kennedy (1982) created a marketing niche for themselves at the intersection of these two threats to the United States. They portray their vision of the formal organization as a means of compensating for the breakdown of other social institutions such as the family, the community, and religion. Concurrently, they provide prescriptions for enhancing productivity in the more intensely competitive international market.

Arguably, early 1980s practitioner literature, as represented by these exemplary texts, marks a shift in the relationship between the texts of business intellectuals and other discourses involved in the reproduction and transformation of governance in North America. Business writers develop a growing awareness of the

connections between corporate success and social and cultural structures and processes. First, the boundaries between practitioner, academic, and popular business literature become even more unclear as elements of each are adopted into the emerging genre of business restructuring literature. Second, as a consequence, business literature becomes more popular in the non-practitioner population, periodically appearing on bestseller lists. Third, business intellectuals begin to consistently theorize shifts in the fundamental nature and form of organization, developing a science of constant renovation of organizations. Fourth, whereas the earlier 'corporate jungle' literature and the systems rationalism literature of post-war North America tended to discuss the outside world in terms of how it is reflected in the organization, this flow of influence is reversed. The business intellectuals of the early 1980s ask instead, how can society be transformed by the model of the organization?

Business discourse becomes a response to *social* risk as well as *market* risk. Society must be redesigned to allow for continued corporate profitability. Practitioner business writing begins to focus on how corporations should respond to both risks, ostensibly solving the problems of corporations but also *setting* the problems in such a way that the implications for reengineering society and social subjects become clear. It is at this point that the corporation begins to be reconceptualized, not as an *instrument* of social structure, but as a *model* of social structure. This, of course, is not new. As bureaucratic forms developed in the early twentieth century, business intellectuals and social scientists debated the social consequences. However, this was

a debate over a generalized process of social governance, not generated specifically in the corporate sphere, but applicable to all forms of complex organization. The corporate culture model, on the other hand is clearly designed with the corporation in mind and is to be diffused from there to other social institutions.

3. Elements of the Discourse of Corporate Culture

What are the characteristics of the discursive formation of corporate culture?

A close examination of early corporate culture texts suggests that the discourse developed as a result of a search for new bases of rationalized control, through corporate intervention, embedded within a surface rhetoric promising both freedom and social harmony. 'Culture' develops as an attempt to theorize abstract principles for a science of regulating subjectivity and intersubjectivity within organizations. It is designed to capture the qualitative aspects ignored by systems rationalism, reducing them to a set of variables that can be manipulated. In making these claims, I am using as a case study four classic texts generally recognized by social scientists and practitioners to be the exemplary texts of corporate culture (Barley and Kunda, 1992; Trice and Beyer, 1993). These include, Terrence Deal and Allan Kennedy's *Corporate Cultures: The Rites and Rituals of Corporate Life* (1982), William Ouchi's, *Theory Z: How American Business Can Meet the Japanese Challenge* (1982), Richard Pascale and Anthony Athos', *The Art of Japanese Management: Applications for American Executives* (1982), and Thomas Peters and Robert Waterman, Jr.'s, *In Search of Excellence: Lessons from America's Best-Run*

Companies (1982) (see chapter 4, and also Appendix A).

In defining 'culture', these texts have some differences but are relatively consistent on the nature of organization and how employees can be controlled through the manipulation of cultural values and norms. A clear definition is provided by Ouchi:

The organizational culture consists of a set of symbols, ceremonies, and myths that communicate the underlying values and beliefs of that organization to its employees. These rituals put flesh on what would otherwise be sparse and abstract ideas, bringing them to life in a way that has meaning and impact for a new employee.... Because the underlying premises or theoretical position from which each person proceeds is held in common with the others, each can assume certain responses or agreements without actually taking the time to negotiate them. Thus the common culture creates a general backdrop of coordination that greatly facilitates decision making and planning over specific issues (Ouchi, 1982: 35-36).

Ouchi views organizational culture as a conscious construction rather than a naturally occurring phenomenon. He labels those organizations with culture as 'clans', contrasting them to 'hierarchies' (bureaucracies) and 'markets', the other forms of governing and organizing transactions between people (Ouchi, 1982: 70).

Pascale and Athos (1982) take a similar, Japanese-inspired, view of what they refer to as 'superordinate goals', arguing that the problems of American organizational culture stem from a problem in the larger American culture:

Splitting man into separate 'personal' and 'productive' beings makes somewhat artificial parts of what is the whole of his character. When we do so, our cultural heritage not only too strictly enforces this artificial dichotomization, but deprives us of two rather important ingredients for building employee commitment. First, companies are denied access to higher order human values, which are among the best known mechanisms for reconciling one's working life with one's inner life. Second, the firm itself is denied a meaning-making role in

society, and thus pays excessive attention to instrumental values, such as profit, market share, and technological innovation (Pascale and Athos, 1982: 310).

Socializing employees into corporate culture is a long process dependent upon factors such as life-time guaranteed employment, participative decision-making, promotion by cohort, non-specialized career paths, the careful cultivation of myths and rituals which illustrate corporate values, and inscription of the corporate philosophy into an actual written text to act as a guide for employees faced with difficult decisions. Through these procedures, the corporation can become a 'total institution' which is the centre of all aspects of an employee's life in work and leisure. The model for this total institution is the Japanese corporation which Ouchi sees as a universal form of organization compatible with larger North American society.

Peters and Waterman define culture in a similar manner. They note:

As we worked on research of our excellent companies, we were struck by the dominant use of story, slogan, and legend as people tried to explain the characteristics of their own great institutions. All the companies we interviewed, from Boeing to McDonald's were quite simply rich tapestries of anecdote, myth, and fairy tale.... these stories, myths, and legends appear to be very important, because they convey the organization's shared values, or culture.

Without exception, the dominance and coherence of culture proved to be an essential quality of the excellent companies. Moreover, the stronger the culture and the more it was directed toward the marketplace, the less need was there for policy manuals, organization charts, or detailed procedures and rules (Peters and Waterman, 1984: 75).

Deal and Kennedy begin with the more holistic Webster's dictionary definition of culture as "the integrated pattern of human behaviour that includes thought, speech,

action, and artifacts and depends on man's capacity for learning and transmitting knowledge to succeeding generations" (Deal and Kennedy, 1982: 4). The authors quickly abandon holism, however, and treat culture as the informal meaning and control system which co-exists with formal structure.

By defining formal organizations in this manner, corporate culture texts employ a common set of discourses to form the corporate culture model. These involve representing the organization as consisting of three significant cultural elements: a symbolic system, an adaptive structure, and a communal solidarity. Through these discourses, the texts reproduce the form of control which the authors advocate, a holistic, normative control involving all aspects of the employees' lives: cognitive, biological, and social.

The symbolic system consists of symbols, ceremonies, and myths which act to socialize employees into shared organizational values, although the different authors see different uses for a commonly held perspective. Ouchi and Pascale and Athos feel that shared values will create relationships of trust, loyalty, and subtle harmony which in turn lead to enhanced productivity and the possibility of an egalitarian decision-making structure. Peters and Waterman emphasize the benefit of strongly-held values in enabling employees to be self-controlled rather than externally-controlled. They represent employees as irrational and emotional, and by using stories and ceremonies, 'excellent' companies can use a "right-brain approach" to "take advantage of" the "emotional, more primitive side (good and bad) of human nature" (Peters and Waterman, 1984: 60). Deal and Kennedy advocate the

development of values, heroes, and rituals by management to guide employee thought and action along productive lines. Every organization has an informal cultural network which is the carrier of corporate values and mythology; by tapping into it, managers can ensure that 'proper' values are being transmitted (Deal and Kennedy, 1982: 14-15).

The organization as adaptive structure, as the term implies, is an evolutionary perspective. Peters and Waterman are particularly clear on their perception of the evolutionary organization:

... the truly adaptive organization evolves in a very Darwinian way. The company is trying lots of things, experimenting, making the right sorts of mistakes; that is to say, it is fostering its own mutations. The adaptive corporation has learned quickly to kill off the dumb mutations and invest heavily in the ones that work (Peters and Waterman, 1984: 114).

Pascale and Athos, in discussing Konosuke Matsushita's approach to the founding of the Matsushita corporation in the early 1900s, follow his attempt to develop a managerial philosophy:

What emerged was a management philosophy tying business profitability to the social good in a kind of Darwinian paradigm. 'A business should quickly stand on its own,' said Matsushita, 'based on the service it provides the society. Profits should not be a reflection of corporate greed but a vote of confidence from society that what is offered by the firm is valued. When a business fails to make profits it should die -- it is a waste of resources to society' (Pascale and Athos, 1982: 72).

By adopting this position, Pascale and Athos extend the Darwinian discourse to the wider social realm, tying "business profitability to the social good."

While not all of the texts I have used in this case study explicitly invoke

Darwin, they all use similar language in describing the need for organizations to focus on internal processes in order to adapt to the unpredictable and hostile external environment of the early 1980s. Concentration on internal processes is a significant shift from some earlier systems models of management where attention tended to be directed toward external concerns of mastering the market through strategy. As a consequence of Japanese competition, consultants and managers turn attention inward in an attempt to find new bases for control and productivity enhancement. Culture is the model they construct and by comparing the organization to an evolving body, the culture metaphor naturalizes corporate functioning, while at the same time providing a rationale for management control of the evolutionary process by representing evolution as a conscious and progressive process of selection.

The organization as communal solidarity is the third element of the discursive formation. Ouchi attempts to equate organization and community by describing the communal properties of Japanese corporations as forming a feudalistic *Gemeinschaft* with participative decision-making, collective values, promotion of cohorts, non-specialization of employees, and shared myths. He compares the Japanese *Gemeinschaft* to the North American corporate *Gesellschaft* where highly mobile individuals work together in a system where the parts support one another in a manner similar to Weber's description of bureaucracy (Ouchi, 1982: 53). Pascale and Athos argue that in North America, people are separated into specialties coordinated by their dependency on one another. The whole system is impersonal and rational with little intimacy, subtlety, or trust.

Peters and Waterman and Deal and Kennedy place less emphasis on communal systems and more on the role of the leader in motivating employees. In this sense, their view of the organization as community is more overtly paternalistic than Ouchi's. For example, in discussing Chester Barnard's 1938 book, *The Functions of the Executive*, Peters and Waterman comment:

... Barnard concluded that it is the executive who must secure commitment and actively manage the informal organization. And he must do this while ensuring that the organization simultaneously achieves its economic goals.... Barnard was also the first (we know of) to talk about the primary role of the chief executive as the shaper and manager of shared values in an organization (Peters and Waterman, 1984: 97).

Peters and Waterman and Deal and Kennedy view the shaping of culture as the prime management role because the infusion of select values into an organization produces a distinct identity leading to informal social integration, which in turn enhances productivity.

Together, the three discourses -- symbolism, adaptation, and community -- combine to provide a holistic structure of meaning around the term 'corporate culture'. Although authors differ in the kinds of values they wish to instill, they share the same vision of the formal organization as the site where North American society can recover its former glory and regain its productive edge. All of the authors draw upon a utopian vision of the past and future as a model for the present. In Ouchi's and Pascale and Athos' texts, the image is that of the peaceful, feudal Japanese village portrayed as having shared values, communalism, stability of membership, intimacy, and multiple face-to-face relationships. Peters and Waterman and, to a lesser extent, Deal and Kennedy employ a utopian image drawn from the

myth of the free-wheeling, individualistic entrepreneur-inventor of the early days of industrial America. They see corporate culture as providing employees with a set of entrepreneurial values to encourage innovation, experimentation, and competition and to structure the organization in a decentralized manner to reflect and encourage these values.

4. The Two Streams of Corporate Culture

In reading the early practitioner organizational culture literature of the first half of the 1980s, it soon becomes apparent that as a knowledge system, it is quite unstable. This was due to the co-existence within the genre of two competing visions of culture -- the Japanese and the American. Ouchi and Pascale and Athos are representative of the Japanese stream while Peters and Waterman and Deal and Kennedy represent the American stream. The differences centre around the placement of each text around the axes of communalism/entrepreneurialism and technology/nature. These lead to different interpretations of the notion of culture, drawn from different theoretical bases, as well as different ideas on how to counter the Japanese threat.

Differences between the Japanese and American streams of the organizational culture literature can be summarized as follows:

Japanese	American
mechanical solidarity	organic solidarity
socialization through values	conditioning through values
culture as all-pervasive	culture as a subsystem
communal	individualistic

I will discuss each of these differences in more detail below.

Drawing upon a vision of corporate community framed as a mechanical solidarity, Japanese-based notions of culture construct the corporate workforce as non-specialists, exposed to all of the corporation's operations, and capable of working in any division. Outside of the corporation, Ouchi argues that the capacity for the clan-based corporation to create an internal mechanical solidarity should form the basis for a larger social renewal in the United States:

The sociologist Emile Durkheim pointed out that, in a mobile society, it is one's occupation alone which can remain constant throughout life - *- even as all else changes*. If this occupation takes place entirely within one organization (as in Type Z companies), then the hope of moral integration with the larger social order and of solidarity with one's community can be more fully realized (Ouchi, 1982: 166).

The American approach is quite different. No emphasis is placed on non-specialization. Employees are expected to be experts in their own narrow field as always. Organizations function well when the various specialties have effective communication and when members come together to form small work teams for individual projects. Peters and Waterman advocate the establishment of internal markets to foster competition among individuals and among project teams (Peters and Waterman, 1982: 215). This will lead to the development of "champions" who will act as mythic inspirations for others.

This leads to a second distinction between the two streams of culture, the use of values. Values lie at the centre of the culture approach, but there is disagreement over how they are inculcated into the employee's inner self. From the Japanese perspective, values are instilled by thorough socialization into the norms of the

corporation from the first day of work to the last. Ouchi states:

In a clan, each individual is ... effectively told to do just what that person wants. In this case, however, the socialization of all to a common goal is so complete and the capacity of the system to measure the subtleties of contributions over the long run is so exact that individuals will naturally seek to do that which is in the common good (Ouchi, 1982: 71).

Pascale and Athos provide some insight into the idealized Japanese methods employed to instill these values of the "common good", using Matsushita corporation as an example:

Matsushita was the first company in Japan to have a song and a code of values. 'It seems silly to Westerners,' says one executive, 'but every morning at 8:00 a.m., all across Japan, there are 87,000 people reciting the code of values and singing together. It's like we are all a community. Matsushita foresaw that a lifetime's organizational experience shapes one's character indelibly. It was unthinkable, in his view, that work, which occupies at least half of our waking hours, should be denied its powerful role. The firm, therefore, had an inescapable responsibility to help the employees' inner selves. This responsibility could best be realized by tying the corporation to society and the individual by insisting that management serve as trainers and developers of character, not just as exploiters of human resources (Pascale and Athos, 1982: 73-74).

Socialization does not simply develop through overt reinforcement of values, but also through the everyday practices and structures of the corporate community. Lifetime employment, multiplex relationships among employees and supervisors, promotion of cohorts and reduction of internal competition, bonus systems, and training in all aspects of corporate functioning, all work together to create an environment of trust, loyalty, and belonging.

American-based notions of how to instill organizational values are very different. Peters and Waterman discuss social relations within organizations largely

as stimulus-response behaviours with employees accepting whatever dominant norms and role expectations management has created, in return for positive feedback:

B.F. Skinner has a bad reputation in some circles. His techniques are seen as ultimately manipulative.... He says that we are all simply a product of the stimuli we get from the external world. Specify the environment completely enough and you can exactly predict the individual's actions.... Unfortunately ... we tend to throw out some of Skinner's extremely powerful and practical findings because of the arrogance of his claims and the implicit ideology associated with them.

If we look further, we find that the most important lesson from Skinner is the role of positive reinforcement, of rewards for jobs well done.... In short, negative reinforcement will produce behavioral change, but often in strange, unpredictable, and undesirable ways. Positive reinforcement causes behavioral change too, but usually in the intended direction (Peters and Waterman, 1984: 67-68).

Not only are the values of corporate culture consciously constructed for the purpose of enhancing productivity, but the process of conditioning employees into those values is also a highly rational process involving scientific behaviourism. American culture experts find it difficult to put aside the systems rationality of earlier management discourses. They tend to view culture as a cybernetic system of information, understandings, and values. It is important for managers to view culture as a system because they wish to manipulate it as just another variable along with size, technology, promotion systems, leadership patterns, and so on (Smircich, 1983: 344). Deal and Kennedy (1982), for example, have enumerated the elements of culture to include: business environment, values, heroes, rites and rituals, and a cultural network (informal communication). Each of these elements can be manipulated to bring about certain patterns desired by management. In other words, the non-rational, such as values, can be colonized by the rational through culture.

The fourth difference between the American and Japanese streams of culture -- communal v. individualistic -- is revealed in the theoretical orientation of each approach. Drawing upon functionalist sociology for its theoretical inspiration, Japanese-based corporate culture premises its construction of the organization on an idealized pre-industrial, patriarchal community where a homogeneous population shares values and norms, competition is reduced by promotion of 'age-sets', and people are non-specialized in their tasks (Ouchi, 1982; Pascale and Athos, 1982). The American version relies more on an organic solidarity of individual entrepreneurs who aggressively and independently create value for the organization but are conditioned into corporate loyalty through positive feedback in the form of awards and a shared set of corporate myths and values prescribed by corporate rituals (Peters and Waterman, 1984; Deal and Kennedy, 1982). It draws upon behaviourist social psychology for its theoretical inspiration. Whereas the Japanese model relies upon a communal and naturalistic definition of people and community, the American model relies upon a more individualistic and technological coding, relegating culture to an operational subsystem rather than a representation that describes organization as a whole.

5. The Emergence of Entrepreneurial Culture

Conventional wisdom holds that the discursive formation of corporate culture has endured through the 1980s and into the 1990s (Willmott, 1993). That, however, is a questionable assumption. Beginning in the mid-1980s, substantial discursive

shifts occurred around the meaning of 'culture' and 'organization', leading to a different discursive formation that I refer to as 'entrepreneurial culture'.

Entrepreneurial culture consists primarily of the American stream of corporate culture discourse. It involves an orientation toward entrepreneurial and technological bases of organization as opposed to Japanese corporate culture, premised upon communalism and naturalistic definitions of organization.

Although corporate culture initially began as an attempt to incorporate the management practices of successful Japanese corporations into American firms, the shifting political culture of North America in the 1980s was not conducive to the communal overtones of the discourse.²⁴ As Colin Gordon points out, "the major problem of social politics within this [neo-liberal] framework is not the anti-social effects of the economic market, but the anti-competitive effects of society" (Gordon, 1991: 42). Within neo-liberal political discourse, which business restructuring literature embraces, and to which it contributes, communalism, in the form of the welfare state, is partly responsible for the lack of competitiveness in North American business. It creates a dependent social subject, living through government welfare rather than self-initiative and independence. Raman Selden quotes a government minister in Thatcherite Britain, who states quite clearly the neo-liberal view of the social subject:

We are all born with enterprise. None of us would survive without enterprise. Every baby and toddler demonstrates every day ... that early in life we all have an abundance of enterprise, initiative, the ability to spot an opportunity and take rapid advantage of it. So when we are young, we are all entrepreneurs. But along the way to adult life too many of us change (quoted in Selden, 1991: 63).

A binary distinction is established between nature and culture, contrasting the natural entrepreneurial inclination to a cultural intervention which produces individuals dependent upon the welfare state.

Within the context of the corporation, the same considerations hold true. The communalism of Japanese-style corporate culture and the bureaucratic forms it implies, have the effect of inhibiting entrepreneurial tendencies. In the mid-1980s, the root of the problem was corporate organization and management, as Gifford Pinchot points out.

To date [corporations] have been organized to face [the problems of pollution, job creation, foreign competition, meaningful work, and equal opportunity] in the pattern of a socialist nation. The corporation owns the means of production and takes care of its employees. Though there are differences in compensation, these are not proportional to differences in contribution. In effect our businesses are showing the world that they do not believe free enterprise can work except on the largest scale. Over the next few decades great leaders will experiment with increasing courage in making a free intraprise system work inside their organizations (Pinchot, 1985: 320).

Only by making market processes the basis of corporate organization will employees be free to express their natural entrepreneurship: "[i]t is a way of organizing vast businesses so that work again becomes a joyful expression of one's contribution to society" (Pinchot, 1985: 321). To ensure the preeminence of competitive values in North American business, a three-step process is underway in the literature to construct a new discursive formation of corporate structure and processes. First, the notion of culture is redefined. Second, the employee is redefined. Third, the organization must be restructured.

Writers such as Ouchi and Pascale and Athos describe corporate culture as

something intangible that potentially lies outside of the control of the executive. Their writing involves an attempt to find ways to harness the energy of culture to executive goals and thereby use it as a disciplinary technology to shape employee subjectivity. Nevertheless, undertones of culture as a qualitative force, not entirely under control, continue to intrude into the discourse. By the later 1980s, however, culture had been demoted in status to just one among many corporate systems. For example, Charles Hampden-Turner defines culture in the following manner:

Culture gives continuity and identity to the group. It balances contrasting contributions, and operates as a self-steering system which learns from feedback. It works as a pattern of information and can greatly facilitate the exchange of understanding. The values within a culture are more or less harmonious (Hampden-Turner, 1990: 21).

Hampden-Turner characterizes culture as a cybernetic system of information and values; the meaning of culture shifts from being a root metaphor for conceptualizing organization to being an internal variable of the same status as size, structure, technology, and payment systems, indicating a general shift toward systems theory. This was always the tendency of the American corporate culture tradition, but with the virtual disappearance of the Japanese corporate culture tradition, it became a central assumption of the genre. Culture is a system that can be managed by executives, through the manipulation of material variables in the form of patterns of information, to create a harmonious corporate value system.

The second stream of discourse associated with the entrepreneurial culture formation involves redefining the employee as an entrepreneur. This was not new in the mid-1980s and had been a central premise of Peters and Waterman's *In Search of*

Excellence (1984), as previously discussed. Writers of the second half of the 1980s developed the idea in more detail, however. Beginning with the assumption that employees are indeed entrepreneurial, several writers set out to describe the new basic understanding of the new worker. Naisbitt and Aburdene (1986), for example, point out that "[t]here is a new ideal about work emerging in America today. For the first time, there is a widespread expectation that work should be fulfilling -- and that work should be fun" (Naisbitt and Aburdene, 1986: 92).

Naisbitt and Aburdene echo the refrain of other business writers of the time, arguing that corporate structure is largely bureaucratic, inflexible, and attuned to the needs of an older form of industrialism with its undifferentiated mass of workers. Change is coming from outside of the corporation, forcing the corporation to change its form (Naisbitt and Aburdene, 1986: 95). The larger culture around the corporation is adopting more flexible patterns and the corporation needs to change to take advantage of this shift in social character:

... most companies deal with people as if security, pay, and benefits were the only ways to motivate them. That is ironic, since those psychic rewards people want -- challenging work, personal growth, learning new skills, autonomy, participation, respect, acknowledgement, effective management, and information -- are exactly what business needs now. *If people did not already want these things, business would have to find a way to sell them these ideas, because these are the qualities corporations need to flourish in the new information era.* The problem is that we are still running our offices in the old industrial mode where people used to punch in their time clocks and get paid for showing up (emphasis in original, Naisbitt and Aburdene, 1986: 100).

As a consequence of the change in people's attitudes toward work, "[m]ore and more of us believe that work should accomplish a personal or social mission"

(Naisbitt and Aburdene, 1986: 101). Quoting a 1983 report of the Public Agenda Foundation, the authors find that of the qualities people want in a job, "job security, high pay, and good benefits are not even on the top ten list ..." (Naisbitt and Aburdene, 1986: 100). Instead, they want to be creative entrepreneurs and their ideal is to work together in small teams where the "idea is to cooperate as individuals, not to blend into a group where everyone is the same." (Naisbitt and Aburdene, 1986: 96). A logical consequence of this reasoning is the end of unions (Naisbitt and Aburdene, 1986: 96).

Gifford Pinchot adds to the description of the entrepreneurial employee through his discussion of "intrapreneuring". He describes "intrapreneurs" in the following terms:

More than inventors, intrapreneurs need team-building skills and a firm grasp of business and marketplace reality. While they don't need the political skills of senior managers working through multiple layers of management, they clearly must be leaders. And more than professional managers, they must make rapid decisions in the absence of adequate data. They must be comfortable groping toward a successful business pattern without much guidance from above (Pinchot, 1985: 33).

He goes on to state:

As companies move out of the industrial era and into the Innovation Age, the speed of change demands that the constant search for a better way must be everyone's job. As you move beyond the known and into doing new things, deference to authority becomes less and less useful. Instead, you have to have the courage to let your imagination and judgement tell you what direction to take as you explore the unknown (Pinchot, 1985: 36).

Pinchot refers to psychological tests that have been carried out to chart and measure the characteristics of the entrepreneur and the intrapreneur, concluding that

there are many similarities but some differences (Pinchot, 1985: 65). He also breaks the process of intrapreneuring down into a set of discrete phases which can be scientifically taught and managed by executives. Rosabeth Moss Kanter recognizes the need to discipline entrepreneurial employees, even in the midst of stirring prose heralding the dawn of a brave new era:

As greater innovation has taken place in response to the challenges of a changing economy, the notes of change I hear have grown in volume to sound more and more like a far-reaching revolution in business management. It is a revolution that I call 'post-entrepreneurial,' because it takes entrepreneurship a step further, applying entrepreneurial principles to the traditional corporation, creating a marriage between entrepreneurial creativity and corporate discipline, cooperation, and teamwork (Kanter, 1989: 9).

The third stream of entrepreneurial culture discourse involves restructuring the organization. Generally, restructuring is evoked in utopian terms of freedom and creativity; the corporation becomes an 'umbrella' within which entrepreneurial groups interact in voluntary and complex ways that benefit the corporation and themselves (Pinchot, 1985: 11). To create this kind of organization, there emerges, in the second half of the 1980s, a set of generally agreed upon organizational solutions to the problems of business competitiveness. First, corporations must down-size their organizations. Kanter describes the necessary changes:

The company that achieves synergies looks and operates very differently from the swollen, lethargic 'corpocracy' that many large American businesses allowed themselves to become. No longer does the typical corporate organization chart resemble the Eiffel Tower -- a broad pyramid of productive activities on the bottom and a tall, narrow hierarchy of many levels of managers piled upon managers, stretching all the way to the top. The model for the post-entrepreneurial corporation is a leaner organization, one that has fewer 'extraneous' staff and is thus more focused on doing only those things in which it

has competence. In the post-entrepreneurial company, there are fewer and fewer people or departments that are purely 'corporate' in nature: more responsibilities are delegated to the business units, and more services are provided by outside suppliers (Kanter, 1989: 115).

The second necessary organizational innovation follows directly from the first: downsizing occurs through removing management layers. Naisbitt and Aburdene refer to this as a "whittling away of middle management." They describe middle management in terms of its oppressive nature and celebrate its demise as a liberating occurrence: "The hierarchical structure where everyone has a superior and everyone has an inferior surely is corrupting of the human spirit -- no matter how well it served us during the industrial period." (Naisbitt and Aburdene, 1986: 49) However, they are clear that, "[w]hat really enables us to shrink middle management is the computer, which gives top executives immediate access to the information previously obtained from middle managers" (Naisbitt and Aburdene, 1986: 16). In the end, it is a question of efficiency rather than democracy.

What should replace bureaucracy? "The old bureaucratic layers are giving way to the more natural arrangements of the new information society" (Naisbitt and Aburdene, 1986: 36). Bureaucracy is unnatural and more natural forms of organization exist, such as lattice organizations, quality control circles, and others. Generally, hierarchies are redesigned into network-like structures organized by product or service rather than by function. This means creating teams where people with different skills and training come together to work toward a common goal. The team becomes the new focus of organization. Generally, these teams are ad hoc at least in the early stages of a project, attempting to capture the spontaneity of

entrepreneurship (Pinchot, 1985: 185). In this type of model, payment is based more and more on value creation that results from innovative product and service designs rather than on pay for time spent on the job.

6. Summary: Comparing Corporate Culture and Entrepreneurial Culture

Between the beginning and the end of the 1980s, business discourse made some significant shifts. In the first half of the decade, American business intellectuals looked to Japanese corporations for clues for building a new relationship between employees and the corporation as well as between the corporation and the surrounding society. Certain Japanese notions were suggested including: a redefinition of the population of employees as a mechanical solidarity rather than individual corporate 'ladder climbers' as depicted in the earlier corporate jungle literature; socialization into a set of articulated corporate values, and a recognition of the force of culture in the workplace. By the end of the decade, these Japanese-inspired notions had been elided from corporate discourse. Notions of community were replaced by rhetoric of democracy based upon individual freedom; culture was no longer an intangible force to be harnessed to corporate efficiency but rather a 'system' of values which could be rationally created and managed by executives.

In addition, even though American-based corporate culture discourse emphasized entrepreneurship among employees, the later entrepreneurial culture discourse elevated the entrepreneur to a central place. Whereas the entrepreneur of corporate culture could be socialized into entrepreneurship through the example of

champions and through the careful cultivation of certain values within the corporation, the entrepreneur of entrepreneurial culture discourse forms the basis from which all corporate values flow. People are *inherently* entrepreneurial and need not be socialized into it. Instead, the task of management is to create a work environment that unleashes the employee's natural entrepreneurial tendencies.

A further difference involves attitudes toward bureaucracy. In entrepreneurial culture discourse, the bureaucratic form must be rejected in its entirety and replaced by organizational forms that are conducive to entrepreneurship. American-based corporate culture writers praised entrepreneurship but also praised large bureaucratic corporations that appeared entrepreneurial, i.e. creative and innovative in design and production processes. By the end of the 1980s, bureaucratic organizations can no longer be viewed as potentially productive and innovative. These qualities come only from individuals and small teams who work independently and autonomously from central management. Rhetorics of democracy v. autocracy, enterprise v. socialism, enter into the discourse and imbue it with a sense of good and bad, right and wrong. It is wrong and immoral to have a hierarchical structure because it stifles people's natural entrepreneurship. Consequently, bureaucracy must be replaced by a decentralized, delayed organization which is more competitive and closer to the customer.

As well, the discourse of constant, permanent change enters the discourse. Corporate culture writers had an organizational ideal in mind which could be achieved and would lead to a new state of equilibrium within the corporate community. That

notion is gone by the end of the 1980s when the new ideal is the ability to constantly change organizational configuration, production and design methods, and even the types of goods and services a corporation provides.

It would be wrong to give the impression that all business restructuring texts of the second half of the 1980s were in agreement on the direction of organizational change. A number of debates were present, centring around three questions. Is entrepreneurship innate or can it be broken down into a set of components which can then be taught to anybody? Should autonomous work teams compete with one another for corporate resources and personnel or should they work in cooperation? Should the organization be fully decentralized with a minimum role for upper management or should work teams continue to operate within a larger framework of corporate discipline overseen by executives? These debates continue into the 1990s, as current business intellectuals seek solutions to the problems set by entrepreneurial culture and corporate culture in the 1980s.

VI. Constructing Chaos: Setting the Problem of Late Capitalism

In the previous chapter, I drew a temporal map of certain dominant discourses within the corporate sphere and how the terrain of that map changed over the course of the 1980s. In this chapter, I draw a spatial map of the discursive terrain of the 1990s by interrogating the manner in which business problems have been set and directed toward a particular type of solution. Business discourses of the 1990s are embedded within a specific discursive moment in North American culture and draw upon an array of cultural discourses that shape the meanings around business processes. In this way, business intellectuals are cultural brokers of certain discourses, translating them into the business sphere and making recommendations on how to operationalize them into the everyday processes of business practice. Concurrently, business intellectuals make claims for extending the current process of restructuring beyond corporate boundaries into the larger civil sphere. They are interested in reconstituting North American 'community' and 'nation' along certain pathways, employing a particular set of ethics and institutional guidelines as a means of regulating population toward certain means -- profitability, competitiveness, and value-creation. The first step is redefining the social role of corporations, moving them to the centre of the civil sphere.

1. The 'Evidence' of Chaos

As business restructuring literature develops into a distinct genre, certain exemplary texts provide patterns followed by other writers (see Chapter 3).

Consequently, there has developed a generalized narrative about the environment within which corporations operate in the 1990s. This narrative sets the problems of the corporate community in late capitalism by framing certain issues as significant and naming the problem in such a way as to set the direction for solutions.

According to the narrative, a specific set of factors have been instrumental in creating the current business climate, although different authors place emphasis on different variables. One of the clearest statements of the problems set by business intellectuals is that of Hammer and Champy:

Three forces, separately and in combination, are driving today's companies deeper and deeper into territory that most of their executives and managers find frighteningly unfamiliar. We call these forces the three Cs: Customers, Competition, and Change. Their names are hardly new, but the characteristics of the three Cs are remarkably different from what they were in the past (Hammer and Champy, 1993: 17).

Customers, competition, and change are the three primary elements forming the current market.

Hammer and Champy point out that these factors have always been present but have changed in significant ways. The main force behind change is the shifting market, which necessitates organizational change. Large-scale, pyramidal organizations are suited to a high growth environment because they are "scalable" (Hammer and Champy, 1993: 16). When a company needed to expand, it could

simply add workers at the bottom of the bureaucratic pyramid and fill in the necessary management layers above. Unfortunately, predictable cycles of prosperity and recession in the economy are a thing of the past; there is no more constancy in the economy and corporations must become permanently adaptive.

Peters agrees with Hammer and Champy, pointing out that "... the definition of every product and service is changing. Going soft, softer, softest. Going fickle, ephemeral, fashion. An explosion of new competitors, a rising standard of living in the developed world, and the ever-present (but still in early adolescence) new technologies are leading the way" (Peters, 1994: 6). The role of technology is problematic within the literature and is given different emphasis by different writers. Whereas Hammer and Champy see it as motivated by economic change, some authors view it as a causal factor of equal status to that of change. Davidow and Malone (1992), for example, premise their arguments about the proper form of new organization on the needs created by technological evolution. Arguing that hierarchical organizations developed as information processing and communication systems, they point out that new information technology fulfills these functions and bureaucracy can disappear.

The advent of computers, new forms of organization, flexible automation, design automation, and numerous other technological advances has now made it possible for companies to be market responsive and cost effective at the same time. Rigidity no longer works in advanced economies. Flexibility and responsiveness, once a threat to efficiency, are now keys to competitiveness (Davidow and Malone, 1992: 11).

Whether environmental change is driven by the changing structure of the

marketplace or by technological evolution, corporations must become adaptive.

Often, Darwinistic language is evoked to describe the predicament of 1990s corporations. Gouillart and Kelly (1995), for example, argue that the corporation is, and always has been, a biological system with twelve "chromosomes" or systems.

They indicate the link between corporate systems and the environment by pointing out that:

The twelve biocorporate systems don't exist in isolation. They are perpetually being challenged to adapt to changes in their environment (such as the arrival of new competitors and technologies), shifts in the attitudes of customers and regulators, and signs of the impending extinction of their industries.... An ability to sense environmental change, and whether it carries threats or opportunities, is essential for survival, because the biological corporation is always evolving.... We once assumed that corporate evolution consists of long periods of stasis, punctuated by periodic adaptations, but the pace of change is too fast for that now. Now, the company needs to adapt every day (Gouillart and Kelly, 1995: 15).

Like Hammer and Champy, Gouillart and Kelly identify three primary external factors involved in inducing organizational change: an unpredictable and chaotic market driven by technological change, an intensification of competition, and entrepreneurial customers. Together, these form the problems which must be faced by corporations if they are to survive into the twenty-first century.

2. Problem 1: The Market Environment

Within business restructuring literature, organizational change is, first and foremost, a response to the changing marketplace. However, the literature here is somewhat contradictory in that the reader is left uncertain whether it is the market

that has changed or whether business practitioners have finally awakened to the uses of the market as a basis for organizing. This uncertainty results from the often politicized language employed to describe the market. Peters, for example, quotes F.A. Hayek:

I am an ardent admirer of F.A. Hayek. It is wretchedly unfair to summarize his 22 volumes of collected works in a paragraph. But here goes. 'The market economy is not [the] product of deliberate design,' he wrote in his slim 1988 book *The Fatal Conceit*. 'It far surpasses the reach of our understanding.' But, he adds, it's not just that markets are messy and complex; they're also not fair. Success does not necessarily -- or even all that often -- go to those who have worked the hardest (i.e., 'deserved it'). In short, the success or failure of a product in the market is due to a lengthy, complex, loosely linked chain of circumstances, wholly unpredictable at the time a decision to launch a product or new business is made (Peters, 1994: 484).

Peters goes on to state, "I love markets. I admit it. I love radical decentralization. I am an enemy of elaborate plans. An ally of hasty action. An enemy of excessive order" (Peters, 1994: 484).

Here, Peters states overtly an important element of the knowledge system developing around issues of corporate organization and its relationship to the larger social environment. These writers are drawing upon, and contributing to, the neo liberal element of New Right political discourses. The market is constructed as a natural phenomenon that results from unregulated human action. It is, therefore, elevated to a higher moral level than the state, and other non-market forms of governance, because it does not involve control and hierarchy and is, therefore, a more liberating form of *social* transaction.

Kendall (1993) demonstrates that this type of anti-state rhetoric is not new in

business discourse. Through an examination of 1970s chairman's "boiler plates" -- the chairman's message that begins each corporation's annual report -- she finds that the government, with its regulations and restrictions on corporate activity, is almost always cast as a villain in the narrative structure of the boiler plate. Government regulation prevents business from fulfilling its potential contributions to shareholders, employees, and management and if government would leave business alone, the corporation would return to its natural state -- free competition (Kendall, 1993: 583-84).

The same type of rhetoric is present in the 1990s but intensified. Drucker, for example, complains:

No businessman anywhere these days holds even a fraction of the power held 80 years ago by a J.P. Morgan, a John D. Rockefeller, an Alfried Krupp ... The gainers of power have been institutions that are either hostile toward or highly critical of business: the labor union, the government bureaucracy, and the greatest gainer of them all -- the university (Drucker, 1993: 114).

The state and the unions are oppressive institutions because they mediate the effects of the market. The university is oppressive because it, rather than the corporation, controls access to education and careers. In this manner, business intellectuals participate in a critique of the welfare state, by arguing that the pillars of the welfare state prevent market competition from coming into full effect.²⁵

A second element of the market discourse is technological determinism. In particular, communications and information technologies are fuelling a growth in the complexity of the environment as well as the pace of change. Peter Senge argues that:

Today, systems thinking is needed more than ever because we are becoming overwhelmed by complexity. Perhaps for the first time in history, humankind has the capacity to create far more information than anyone can absorb, to foster far greater interdependency than anyone can manage, and to accelerate change far faster than anyone's ability to keep pace. Certainly the scale of complexity is without precedent (Senge, 1994: 69).

Gouillart and Kelly concur, labelling the present the "Communications Age":

Viewed from the perspective of the individual, speech, writing, printing, telephones, radios, and televisions all represented technological advances that increased the size and scope of our connectivity networks. Now we can fax, videoconference, and computer-network with all parts of the world, on demand. Our networks are growing inexorably in both size and complexity, and that growth probably will continue.

What is true at the individual level is also true for corporations. Companies are forming alliances and partnerships with their suppliers and customers, becoming parts of networks, even networks of networks. The physical and financial boundaries between companies are blurring, and the trend probably will continue (Gouillart and Kelly, 1995: 4-5).

Technology contributes to the complex and uncontrolled market not only through increasing the density of communications and the extension of networks of 'connectivity', but also through allowing for constant innovation in organizational processes, and design and production processes. Once again, a contradiction occurs in the literature around technology. Hammer and Champy argue that simply throwing computers at a problem in order to automate a process will not solve the problem. Managers must learn to think inductively -- to recognize a solution and seek out the problems it may solve. The most common error is to view technology through the lens of existing processes when managers should be asking, "how can we use technology to do the things that we are *not* already doing?" (Hammer and Champy,

1993: 85). Whereas Senge and Gouillart and Kelly accept technology as a reified force shaping the direction of restructuring, Hammer and Champy imply an element of conscious decision; corporations can use technology to shape the market.

Technology, then, opens up possibilities for creating new demands. In the new market environment, corporations can no longer simply respond to existing demands, they must create demand by applying technology to create previously non-existent products and services. The result is to further destabilize the market by increasing competition for control of new niche markets and by reducing product life cycles as they are constantly replaced by new products. It also institutionalizes research into entirely new technologies which have commercial application and which will potentially revolutionize society as a whole. Hamel and Prahalad, for example, glowingly describe future market transformations:

We are standing on the verge, and for some it will be the precipice, of a revolution as profound as that which gave birth to modern industry. It will be the environmental revolution, the genetic revolution, the materials revolution, the digital revolution, and, most of all, the information revolution. Entirely new industries, now in their gestation phase, will soon be born. Such prenatal industries include microrobotics -- miniature robots built from atomic particles that could, among other things, unclog sclerotic arteries; machine translation -- telephone switches and other devices that will provide real-time translation between people conversing in different languages; digital highways into the home that will allow instant access to the world's store of knowledge and entertainment; urban underground automated distribution systems that will reduce traffic congestion; 'virtual' meeting rooms that will save people the wear and tear of air travel; biomimetic materials that will duplicate the wondrous properties of materials found in the living world; satellite-based personal communicators that will allow one to 'phone home' from anywhere on the planet; machines capable of emotion, inference, and learning that will interact with human beings in entirely new ways; and bioremediation - custom-designed organisms that will help clean up the

earth's environment (Hamel and Prahalad, 1994: 27).

These developments are discussed in a tone reminiscent of early twentieth century science fiction, optimistically envisioning the potentials of technoscientific developments for creating an enlightened future of leisure and universal well being (Wells, 1933).²⁶ The 'gee-whiz' language used to describe the future reproduces the elision of cultural and societal impacts of technology inherent to technological determinist discourse, despite a century of repression, bloodshed, and dehumanization at the hands of increasingly rationalized forms of social, mechanical, and electronic technologies. Mumford (1970) characterizes this perspective as an unquestioned cultural value:

Western society has accepted as unquestionable a technological imperative that is quite as arbitrary as the most primitive taboo: not merely the duty to foster invention and constantly create technological novelties, but equally the duty to surrender to these novelties unconditionally, just because they are offered, without respect to their human consequences (Mumford, 1970: 185-86).

Weber extended the analysis of technological rationality to the realm of social organization, and although business intellectuals are aware of Weber's ideas about bureaucracy, they seem dismissive of his warnings about the potential for modern social technology, as a scientific creation, to turn and devour the humanity of its creators. In one of his speeches, Weber warns:

Already now, rational calculation is manifested at every stage. By it, the performance of each individual worker is mathematically measured, each man becomes a little cog in the machine and aware of this, his one preoccupation is whether he can become a bigger cog ... it is horrible to think that the world could one day be filled with these little cogs, little men clinging to little jobs, and striving towards bigger ones ... this passion for bureaucracy is enough to drive one to despair (Weber,

in Mayer, 1956: 127).

Through characterizing post-bureaucratic principles of organization as a reaction to bureaucracy, business intellectuals seek to deny the technical rationality and technological determinism that continues to underlie new organizational forms. Rationalization, however, continues unabated. It is not accomplished through a model of overtly oppressive machine-like organization, operated by programmed workers who are cogs in the machine. Instead, as Gorz suggests:

The goal is the same and the results are no different in nature, but only in the sophistication of the means employed: instead of being imposed by propaganda and the 'thought police', the functional rationalization of individuals' behaviour takes the form of a subtle and insidious manipulation which instrumentalizes non-economic values for economic ends (Gorz, 1989: 50).

Discourses which promote market governance and corporate-directed technological evolution extend a technoeconomic rationality into all areas of the lifeworld.

The effect of this market discourse is a centring of corporations within the social space of post-industrial society:

... the question of which companies and countries create the future is far from academic. The stakes are high. The wealth of a firm, and of each nation in which it operates, largely depends on its role in creating tomorrow's markets and its ability to capture disproportionate share of associated revenues and profits (Hamel and Prahalad, 1994: 29).

Hamel and Prahalad state an assumption that is echoed in all business writing: the fate of nations depends upon the fate of corporations. It is not a reciprocal process, but rather, causation happens in one direction only; corporations are the creators of the future, and states and citizens must rely upon them for their well-being. This is not to say that corporations will assume an increasingly governmental role but rather,

that state institutions must come to resemble corporations in their organizational structures and market-orientation to survive the international economic competition among states. Thus, the same problems defined for corporations apply to nation states and their populations.

A chaotic marketplace is the norm for the foreseeable future within the discourse of business restructuring. Chaos is caused by increasing interconnectivity among corporations and states as well as increasing networks and volume of communication. These developments are, in turn, the result of technological developments, particularly in information technology. Other technologies are on the verge of moving into the commercial sphere and revolutionizing society as corporations create entirely new types of consumer products and services. In terms of corporate functioning, these developments will mean intensified competition and reduced product life cycles which will, in turn, lead to further innovation to create new consumer demand and stay ahead in the competition to control markets. This type of market development is always represented in positive terms: the market is a beneficial institution, a natural expression of human interaction, and the means by which society progresses and acquires the things it needs and wants. The corporation, as the premier market institution, is, therefore, the central institution of post industrial society. Authoritarian, bureaucratic, welfare states of modernity must surrender their role as mediators of the effects of the market and become instead, marketized institutions operating in conjunction with the corporations upon which they, and their populations, rely for prosperity.

3. Problem 2: Competition

Competition is the second problem for corporations in late capitalism. It has two main characteristics that set it apart from competition in earlier periods. First, it is now global:

With trade barriers falling, no company's national turf is protected from overseas competition. When the Japanese -- or Germans, French, Koreans, Taiwanese, and so forth -- are free to compete in the same markets, just one superior performer can raise the competitive threshold for companies around the world.... Adequate is no longer good enough. If a company can't stand shoulder to shoulder with the world's best in a competitive category, it soon has no place to stand at all (Hammer and Champy, 1993: 21).

The rhetoric surrounding global competition is changing, however. First, whereas competitiveness was once largely a question of the United States v. Japan, it is now couched in different terms.

The competitiveness problem faced by so many companies today is not a problem of 'foreign' competition, but a problem of 'nontraditional' competition. It's not the United States versus Japan versus Europe.... The real competitive problem is laggards versus challengers, incumbents versus innovators, the inertial and imitative versus the imaginative (Hamel and Prahalad, 1994: 17).

The literature of the 1980s was quite clear about the source of competitiveness lying with Japan, and, to a lesser extent, Europe. Today, it is conceived more as a problem of organizational form. This problem has become divorced from national traditions and is now a question of universal forms appropriate to global competition now and in the future. The problem is transferred from the realm of political economy to the realm of management, serving to legitimize the role of managers in making decisions of national importance. It no longer matters where a corporation is

located or based; all corporations, everywhere in the world must be concerned with the same organizational issues. This is reminiscent of Fukuyama's (1989) 'end of history' thesis; business intellectuals argue that a particular organizational form, which draws heavily upon neo-liberal notions of governance, is a universal form that transcends national traditions. It, like liberalism, is a Western organizational form.'

Second, characterizing the issue of global competition as one of innovative v. non-innovative forms, also signals a shift in the conceptualization of the relationship between the corporation and the state. It is a recognition of the transnational nature of corporations and their loosening affiliation with any particular nation or state. There remains a relationship, but it is now one of dependence; states are entirely dependent upon corporate performance and profit. Consequently, states must dismantle any national institutions that interfere with international competition. Because business intellectuals downplay the role of the state in post-industrial society, the potential competition between national state institutions and transnational corporations is not a factor that is generally discussed. As Whitley (1994) points out, however, an international level of economic organization has not yet emerged and seems remote at this time:

Given the continued importance of national, political, financial, labour and cultural systems in structuring economic relations within and across market economies this separation of an international level of economic organization has not developed and is unlikely to do so as long as national and regional institutions remain significant and different (Whitley, 1994: 119).

The question for business intellectuals then becomes, how to characterize international competition to overcome national and regional difference and establish a

theoretical space which legitimizes an international level of economic organization. It is here that the competitive interests of transnational corporations are discursively linked to the security interests of populations and the discipline of social subjects. Global competition has certain necessary social implications within business discourse. Davidow and Malone point out that diffusion of technology around the globe means that "advanced economies" which rely upon exports will face competition from non-traditional competitors. Traditional methods of production will no longer suffice and:

The only hope is differentiation through national infrastructure, a highly educated populace, and sophisticated information processing systems. Therefore, the economies of the United States, Europe, Japan, and elsewhere must proceed down the path to reshaping their methods of production. If they fail in their efforts, they will be deprived of the wealth needed to improve and maintain their standard of living. That erosion has already begun in the United States, where the middle class is shrinking and the underclass is growing (Davidow and Malone, 1992: 16)

Global competition is everybody's business. It is narrated as a national project, and the ability of a nation to convert its economy in that direction will shape the population's destiny for the foreseeable future. States must educate their populations into competitiveness; corporations cannot compete if social subjects have not been properly trained to compete. This appears to contradict the discourse of entrepreneurship as a natural state of human nature, but business intellectuals argue it is the welfare state that has suppressed competitiveness -- another reason to destroy the welfare state. The discourse of competition draws upon New Right discourses, which define the subject as *homo economicus*. The welfare state is described in almost orientalist terms -- static, unmoving, authoritarian -- while the competitive

society of the 1990s is something inherently Western and dynamic (Abercrombie, 1991: 171).

There is a contradiction in the way the problem of competition has been set. Are corporations dissociated from states, or do they continue to be intimately linked to certain states? Is the nation-state dying as a unit of international economic significance or is global competition a matter of competition among states? Different authors have different perspectives on the issue, but the weight of opinion suggests the erosion of the state and the rise of the transnational corporation as the fundamental unit of international commerce. States play a supporting role at best, working to eliminate trade barriers to allow corporate investment and consumer items to flow unimpeded into their respective countries and to ensure the population develops a competitive ethic. Corporate and state interests intersect in the population; workers are still tied to the nation-state and need transnational corporations to provide jobs.

A third implication of global competition is the question it poses for organized labour. Peter Drucker, perhaps the founding father of the business restructuring genre, argues that, "... all available evidence indicates that work rules and job restrictions are the main cause of the 'productivity gap' of American (and European) manufacturing industry [as compared to the Japanese] (Drucker, 1993: 137). What is the alternative? Drucker argues bluntly for "...the disappearance of the unions" (Drucker, 1993: 141). He points out that collective agreements in combination with state-imposed "expensive job security" have put unconscionable pressures on corporations operating in the developed world and warns that Western countries may

be faced with a paradox where, "... newcomers from Japan and Korea produce in the U.S. and Europe while American and European manufacturers are being forced by work rules and job restrictions to go 'offshore' to supply their own home markets" (Drucker, 1993: 142).

In addition to being global in nature, a second characteristic of competition in the 1990s that sets it apart from earlier competition is the development of niche markets. Heil, Parker, and Tate (1995) point out that:

Today, there are more quality competitors, and more segmented markets. Smaller companies, capable of providing significantly better levels of value, are aggressively taking over the most profitable niches, walking away with the best customers, while customers everywhere are getting better and better educated. 'You are special,' they've been told. 'You don't have to be one of the masses -- you can have it *your* way' (Heil, Parker, and Tate, 1995: 4).

Hammer and Champy state that,

Niche competitors have changed the face of practically every market. Similar goods sell in different markets on entirely disparate competitive bases: in one market on the basis of price, in another on selection, somewhere else on quality, and elsewhere on service before, during, or after sale (Hammer and Champy, 1993: 21).

Once again, organizational form enters into the question as certain types of companies lead the way.

Start-up companies that carry no organizational baggage and are not constrained by their histories can enter a market with the next product or service generation before existing companies can even recoup their development costs on the last one. Big is no longer impregnable, and every established company today needs to post a lookout for start-ups -- those that are brand new and those that have been around for a while but still operate on their founders' principles (Hammer and Champy, 1993: 22).

Combined with current technology, small, fast, post-bureaucratic organizations are

capable of 'lean' production within proliferating niche markets as corporations develop means to mass produce goods for a short period and then shift production and organization when consumer tastes change.

Concern over time as an element of competition leads to a recurrent concern in business restructuring literature over the damaging effects of organizational tradition. Corporations must become ahistorical, living in a perpetual present to focus on the constant shifts in niche market fashions which apparently have no historical basis themselves. Traditions create baggage that must be thrown away as they become obsolete, which is almost immediately in the chaotic marketplace of the 1990s, to avoid hindering the profitability and efficiency of the corporation. De Certeau argues that the establishment of a social space -- a legitimated situation within the social structure -- is a means of controlling for the eroding effects of time. By being removed from a deterministic power relation with exterior forces, a corporation can control the rate of temporal change within its own boundaries (de Certeau, 1984: 36). In the 1990s corporation, this means accelerating time. As Smart points out:

The introduction of new production technologies and associated 'decentralised' organisational forms has had as the objective not simply a reduction in the level of socially necessary labour time but an overcoming of rigidities and an acceleration of turnover time. For example, new micro-electronic technologies, small-batch production, subcontracting, outsourcing, and 'just-in-time' systems have all been associated with increases in the speed of production (Smart, 1992: 55).

Through technology, corporations can decrease the time of production. As well, the increasing centralization of corporations within the social space of Western societies allows them to develop discourses of the social subject which have the effect

of constructing the organizational subject as removed from temporality. Davidow and Malone quote one executive who states:

One of the great advantages of America is that Americans have no memory. The reason I left Europe was because there's such a long memory that you can't initiate change. But Americans have no memory at all. I'm convinced an American workforce can come into work on Monday morning and find the whole production line has changed and by coffee break, they're used to the new environment. Americans, unlike, say, the Japanese, are used to change. Most other countries are not. Americans are uniquely adapted to change. Change is the way we can win (quoted in Davidow and Malone, 1992: 215).

Competition, then, requires an entrepreneurial *homo economicus* who can operate outside of time, making his space constantly changeable according to competitive demands.

4. Problem 3: The Customer

Niche markets are a response to, and outcome of, a shift in the nature of the customer, the third problem set by 1990s business intellectuals. According to *Fortune* magazine:

Whether you sell \$100-million planes or 79-cent pens, your buyers have changed enormously in the past few years. Their demands are lengthening; their patience is shrinking. Epochal shifts in the global economy have given them a sultan's power to command exactly what they want, the way they want it, when they want it, at a price that will make you weep. You'll either provide it or vaporize (*Fortune*, Autumn/Winter 1993: 8).

By the logic of supply and demand, the greater supply created by more companies, around the world, using technology and new production organizations to create cheaper goods faster, has led to a greater competition for customer spending and has

created a buyer's market.²⁸

Concurrently, business intellectuals have redefined purchasers as 'customers', sovereign consumers fully responsible for making their own consumer choices and doing so with an entrepreneurial incisiveness. Enterprising customers of post-industrial North America contrast to the passive consumers of industrial mass markets, where innovation and drive lie with producers. The language invoked to describe mass markets implies they are undesirable because they are less democratic. Entrepreneurial customers are a 'public' and should be provided with what they want, rather than what producers decide to sell them. This new type of customer is insatiable in his or her consumption and constantly strives for novelty, setting challenges for corporate productivity and innovation.

To stay competitive in the customer-driven marketplace, corporations must 'get close to the customer'. This is a truism that developed fully in the 1980s and has since been refined. In the later 1980s, getting close to the customer generally involved 'inverting the organizational pyramid', making front-line employees who deal with customers, the focus of the corporation. Management takes on a supporting role, providing customer service personnel with the flows of information and other resources necessary to satisfy customers and retain their loyalty.

In the 1990s, the customer focus notion intensifies. The primary purpose of 'reengineering' is to get closer to the customer by restructuring work process and corporate organization to allow customers to interact with a small team rather than the whole corporate bureaucracy (Heil, Parker, and Tate, 1995: 169). Gouillart and

Kelly visualize companies as "... exist[ing] to create value for customers. To create value, they provide customers with benefits; that is, things customers perceive as making their life better. Those benefits are delivered at a price that allows the company to be profitable" (Gouillart and Kelly, 1995: 176). Customer rhetoric, however, involves more than simply satisfying customers.

A generally advocated strategy for getting close to customers is to include them within corporate teams, "inundation by outsiders of all sorts (almost all teams should include customers, distributors, and vendors, for instance)" (Peters, 1994: 14). In this way, customers can be involved in the design process to ensure they receive what they want. As well, suppliers must constantly reengineer their processes to ensure continued customer service levels and create real-time, decentralized databases on the ever-shifting customer wants and needs in order to ensure that customers are constantly satisfied with the goods and services they receive (Heil, Parker, and Tate, 1995: 137-192).

Even these steps are not enough. As Peters points out, customer service can no longer involve simply being current with what the customer wants.

If you've done all the close-to-the-customer things that I begged you to do in my first three books, ... I'm not sure you'll be any 'closer' five years from now than you are today.... [T]here's a sense in which, now, I would counsel *not* listening to customers at times, and therein lies the *real* revolution. This book is animated by a single word: *fashion*.... [W]e must engage far more intimately with customers (and large numbers of other temporary 'network' partners) than I had imagined 10 years ago -- 'symbiosis' is the preferred word.... That's one form of more than 'close to' the customer. But to stand out from the crowd also calls for communing with your own muse and that of quirky partners from around the globe to create startling products and services which respond to needs customers hadn't dreamed they had (and which

are completely impermeable to the cleverest 'market research') (Peters, 1994: xxxii).

Customers, whether they be corporations or individual consumers, are inscribed in this narrative as holding all the power in their negotiations with producers. Corporations are victims of entrepreneurial customers who are better educated and have more information at their fingertips than in the past. They are aided by the extremely competitive market environment and contribute to the chaos through their demands for constant, fashionized innovation. Only those corporations that can respond quickly to those demands will survive. Two methods for responding are suggested in the texts: first, incorporating customers into corporate processes to ensure that customer desires are satisfied, and second, a higher degree of corporate innovation by creating new products and services that customers did not realize they wanted, in this way creating an entirely new niche market which your corporation then controls.

This strategy is an attempt to control the risk posed by the sovereign customer by seizing the initiative in creating fashion trends rather than waiting for customers to create them. As such, the two strategies for responding to customers appear to contradict one another. Inclusion of customers on work teams seems to give priority to customer demands, but invention of new products and the creation of new niche markets is purely a corporate initiative that puts power back in the hands of producers. One must question, however, the extent to which corporations have ever been at the mercy of consumers. The construction of the sovereign customer assumes that consumer preferences are generated independently of the activities of producers.

Arguably, the reverse is increasingly true as capitalist enterprises invest more and more resources into shaping and controlling customer 'choices' through marketing and advertising. One could assert that production already shapes consumption rather than vice versa, and the sovereign customer is a fiction. Rather than obsolescence being a result of customer fickleness,

... it is achieved through the permeation of virtually all areas of social life by the signifying system of fashion and marked shifts in consumption patterns from goods to services. As Harvey observes, given 'there are limits to the accumulation and turnover of physical goods ... it makes sense for capitalists to turn to the provision of very ephemeral services in consumption' (Smart, 1992: 55).

If this is true, what is the purpose behind the rhetoric of the sovereign customer? I argue that this discursive construction provides a rationale for current organizational restructuring programs. It imposes a customer-supplier relationship on the internal relations within a corporation as well as developing a new form of control through a statistically constructed 'customer' who makes certain demands on the employee, and who, as an entrepreneur, provides a model for employee behaviour.

In summary, the 1990s market environment is framed in such a way that a specific set of problems flow from it. First, the market is chaotic and complex due to increased information flow, the expansion of communications networks due to globalization, ongoing breakthroughs in information technology and other technologies, and the resulting acceleration in the pace of product innovation and product life cycles. All of these changes have resulted in not only a corporate transformation but also a social transformation equal to the impacts of the Industrial Revolution. Second, competition has intensified and takes a different form than in

previous decades. Globalization has introduced Western corporations not only to foreign competition, but, more significantly, 'nontraditional' competition from different forms of organization. There is a concurrent movement toward the small, toward niche markets that cater to individual tastes that are constantly changing. Corporations must juggle both of these movements. Third, competition, technology, and more information have empowered customers to break out of the mass market and demand high quality goods and services tailored to their own needs and desires. To capture the loyalty of these new entrepreneurial customers, corporations must satisfy their existing desires and create entirely new and unforeseen products to generate further customer demand.

The problem is framed not only by what is included within the business narrative, however, but also by what is excluded. Business intellectuals fail to discuss the structural crises and contradictions of late capitalism, such as attempting to sustain corporate profits by lowering wages while also trying to promote consumption. Although it is alluded to, it is never fully admitted that the direction of change implied by the problems of business in the 1990s means that only a few will benefit primarily knowledge workers who produce knowledge that adds value to products. Other workers will be contracted out and will act as a buffer for the fully employed elite, absorbing the effects of economic downturns through lay offs.

Who will be the underemployed and unemployed within this labour structure? As Avery Gordon (1995: 16) points out, people of colour have been heavily affected by corporate restructuring in the United States. Christopher Newfield (1995) notes,

"Between 1990 and 1991, black employees represented more than half (54 percent) of lost jobs at Sears, 42 percent at Coca-cola, 43 percent at Dial, and 36 percent at McDonald's" (Newfield, 1995: 35). This, in addition to capital flight has devastated Afro-American communities in the United States in terms of employment.

For women, the discourses and practices associated with corporate restructuring have had equally negative impacts. As Newman points out,

The gains linked to the equal opportunities and equal pay legislation of earlier decades, limited as they were, have been eroded with the decline of trade union power, the attacks on equal opportunity policies and the dismantling of the regulation and control of employment. The exploitation of women in the labour force has increased with the growth of part-time and contract labour ... to meet the needs of the 'flexible firm' (Newman, 1991: 256).

Personal insecurity increases for most employees due to a number of factors. Up to one-quarter of people employed today in the United States are temporary, part-time, or contract-based (Newfield, 1995: 36). Job cuts continue despite economic growth, pension plans are increasingly 'defined-benefit' plans which no longer guarantee a set payment upon retirement, and people are working on average four weeks longer than they did twenty years earlier (Newfield, 1995: 36).

Given what is included and what is excluded from the narrative of the problems faced by corporations in late capitalism, a particular solution presents itself as the necessary and logical direction for organizational change -- the *flexible* corporation.

5. Determining the Solution of Flexibility

Having framed the problems of late capitalism as including the chaotic marketplace, global and niche competition, and entrepreneurial customers, the overall problem can be named. It is a problem of *flexibility*. It seems to follow that if the environment is ever-changing, if competition is changing, and if customer demands are always changing, the corporation must adapt by institutionalizing change as well. In this way, organizational form captures the risks of the environment by embracing them. The flexible corporation is a social technology of risk management, which elevates to a moral imperative the need to be constantly changeable.

This is a dramatic shift in organizational and social thought. In the early 1980s, Ouchi differentiated between three types of organization: bureaucracy, clan and market. Bureaucracy is hierarchical and isolating. Within clans, teamwork and change make individual performance ambiguous. People are encouraged to pursue their own goals but the socialization of employees into common goals is so complete that people will naturally do what is good for the group. In a market, individuals pursue selfish interests and the market precisely measures their contribution to the organization. People will be compensated according to what they have contributed (Ouchi, 1982: 70-71). The flexible corporation of the 1990s is a move toward a market orientation as business writers and practitioners reject both bureaucracy and culture as bases of organization. This is not to say that some of the principles of bureaucracy and culture do not remain in the discourse; however, they occupy a secondary position in relation to market principles as the proper basis for

organization.

Peters sets out the rationale for flexibility quite simply: "[i]f the marketplace has 'turned ephemeral' on us -- all of us -- then we must turn ephemeral, too" (Peters, 1994: 18). He summarizes one of the guiding principles of the flexible organization when he states: "[f]ashion demands bonkers organizations.... And it demands continuous innovation. Appropriately paced innovation, in turn, leads us toward one end: *blasting the violent winds of the marketplace into every nook and cranny in the firm*" (Peters, 1994: 13-14). The flexible organization, then, involves premising the organization on market principles, the natural basis for human organization.

The current market is further naturalized through a discourse that links it to current findings in science about chaos and complexity:

Put simply, while traditional science focused on analysis, prediction, and control, the new science emphasizes chaos and complexity. Today scientists are developing powerful descriptions of the ways complex systems -- from swarms of mosquitoes to computer programs to futures traders in commodities markets -- cope effectively with uncertainty and rapid change. And therein lies an opportunity for fruitful dialogue between the world of management and the world of science (Freedman, 1992: 26).

Management discourse is equated to scientific discourse and, like natural science, management science has advanced in its understanding of how to manage and control the organization. There is the implication of having found a universal principle of organization that applies at all levels to all functioning things, swarms of insects, computers, human interaction. This type of universalizing plays an important role in business discourse.²⁹

The flexible corporation is not simply an evolutionary development spurred on by pressures of environmental change. It is also the discovery, or perhaps rediscovery, of certain principles for humanizing organizations. As such, it has a liberating effect on organizational subjects. Business intellectuals seek to move away from the machine metaphor that informed earlier organizational discourses. Gouillart and Kelly, for example, argue that,

[t]he underlying premise of business transformation is that the complexity of a modern corporation defies mechanistic description, that a corporation is tantamount to a living organism -- the *biological corporation*. We think of companies as living, volitional beings -- like people -- complete with body, mind, and spirit. Companies are born, they grow, they get sick, they recover, they mature, and they grow old. Companies think, they choose, they learn, they work, and they feel (Gouillart and Kelly, 1995: 2).

Corporations are equated to living organisms, not only in a legal sense, but also in a more literal sense. Since a corporation is made up of people, it is, therefore, a living organism.

The flexible corporation is humanized in another sense as well. Within business discourse, concepts of bureaucracy, communism, autocracy, and anti democracy are collapsed into one category and set in binary opposition to the flexible corporation, which is equated to democracy, self-fulfillment, and unbridled free enterprise. Peters argues that managers must create a "perestroika inside the firm" (Peters, 1994: 14).³⁰ When people are released from the fetters of bureaucracy, they have the opportunity to become 'learners', people who have the ability and opportunity to explore the changing environment and use their own initiative and creativity to adapt rather than being chained to a repetitive task within a hierarchical,

authoritarian context. Once again, this is a return to a natural state of being.

Learning organizations are possible because, deep down, we are all learners. No one has to teach an infant to learn. In fact, no one has to teach infants anything. They are intrinsically inquisitive, masterful learners who learn to walk, speak, and pretty much run their households all on their own. Learning organizations are possible because not only is it our nature to learn but we love to learn (Senge, 1994: 4).

In terms of organizations, learning means experimentation as opposed to planning.

It might be far more satisfactory to look at well-adapted visionary companies not primarily as the result of brilliant foresight and strategic planning, but largely as consequences of a basic process -- namely, try a lot of experiments, seize opportunities, keep those that work well (consistent with the core ideology), and fix or discard those that don't (Collins and Porras, 1994: 148).

The planning processes of bureaucracy are discredited and replaced with the concepts of experimentation and learning within the flexible corporation. These are the mechanisms by which a corporation can continue to adapt to the chaotic market.

What is the form of such an organization? Because it is premised upon flexibility, it cannot have a form that is frozen in time. Instead,

To the outside observer, it will appear almost edgeless, with permeable and continuously changing interfaces between the company, supplier, and customers. From inside the firm the view will be no less amorphous, with traditional offices, departments, and operating divisions constantly reforming according to need. Job responsibilities will regularly shift as will lines of authority -- even the very definition of employee will change, as some customers and suppliers begin to spend more time in the company than will some of the firm's own workers (Davidow and Malone, 1992: 5-6).

The basic unit of this form of organization is the 'team', which can vary in number from two people to hundreds of people depending on the task at hand. Generally

speaking, however, they are to be small:

The emphasis on small, self-contained elements, even, at times, in big collections, ... is the essence of necessary disorganization. Constructing and then perpetually reconstructing networks of such self-contained elements/units/'businesses' ... is the *only* plausible response to today's cockamamie marketplace (Peters, 1994: 10-11).

Business intellectuals recognize that shifting to a flexible form of organization is very difficult for a number of reasons. One of the primary problems is the fact that such radical change requires leadership, but leaders are often uncomfortable with the notion. Heil, Parker and Tate accuse managers of adopting the rhetoric of flexibility but choosing not to commit to it. They are still shackled by short-term thinking and fear of uncertainty, ultimately resorting to familiar practices (Heil, Parker, and Tate, 1995: 6). Davidow and Malone add that managers further hinder corporate restructuring because they are unwilling to delegate authority (Davidow and Malone, 1992: 175). Information flow is blocked by an absence of employee management trust. However, the authors are confident that the delayering and decentralizing that accompanies the flexible corporation means that distinctions between employees and managers are eroding and conflict will disappear.

The direction of change, then, must be toward flexibility. This seems a natural and necessary solution because it draws upon our understandings of the workings of nature, through chaos theory and studies of the complexity of group organisms, and it unleashes our natural tendency toward learning which allows us to apprehend and adapt to changing environmental circumstances. The flexible corporation is defined as having an ambiguous form that cannot be frozen in time; it

is changeable and cannot be mapped on an organization chart. Instead, it has permeable boundaries that overlap the equally permeable boundaries of other organizations, particularly those of suppliers, customers, and allied corporations. Inside, teams made up of constantly shifting personnel, form around projects which, when completed, lead to the break up of the team and new formations of employees around new projects. Customers, suppliers, and distributors are intimately connected to these projects, allowing for a close-to-the customer focus

This discourse has effects throughout the social sphere, for, as business intellectuals clearly state, their goal is not only to restructure corporate organization but to place the corporation in the centre of the social and present it as a model for all forms of social organization, from the family to the state. Within this discourse, the language of the market becomes the only valid vocabulary, morally and socially, and civil society becomes consumer society (du Gay and Salaman, 1992: 622). The discourse of flexibility seems to resolve a long-standing contradiction in liberalism: property makes a person a citizen, even if one's only property is one's body and labour. However, the labourer can join society only through a mediator -- an owner of the means of production, who becomes the master of the labourer. In the discourse of flexibility, property is no longer as important a factor in belonging to an organization or to society. Rather, one becomes a citizen through the creation of value. I disagree to some extent with those who claim that post-industrial citizenship is based upon the ability to consume. This is only half of the equation. It also requires entrepreneurship, the ability to produce, using one's own resources and

capital. Together, entrepreneurship and consumption are the means by which a person creates value and it is value creation that is the basis of citizenship in neo liberal societies.³¹

6. Summary

The flexible corporation, then, emerges as the self-evident, oft-named solution to the problem of late capitalism, namely chaos. Chaos is produced as a set of three sub-problems: volatile markets, increasing competition, and entrepreneurial customers. I suggest, based upon Schön, that the circular reasoning of setting these problems produces a 'need' in the texts for the flexible organization. As my analysis in the following three chapters will demonstrate, business writers operationalize the flexible organization through three discursive processes: entrepreneurship, learning, and decentralizing. In chapters 7, 8, and 9 I will map each of these discourses, identifying their key characteristics and assumptions, absences and contradictions, and critically interrogate their implications for organizational control, discipline of social subjects, rationalization, and social governance.

VII. Naming the Subject: Employee as Entrepreneur

The problem of flexibility requires a certain form of subjectivity if societies and corporations are to remain competitive within the global marketplace. As I discuss in chapter 6, flexibility discourse defines the customer as entrepreneurial, and as such, the customer forms a model for corporate employees who must adopt the same market-oriented values to ensure personal and corporate survival. In this chapter, I examine the construct of the 'entrepreneur' in more detail, describing how business intellectuals define entrepreneurship, why it is an essential discourse for post-industrial corporations, its characteristics, its role in promoting a system of social positioning, and its effect of depoliticizing organizations through a denial of difference.

1. Defining the Entrepreneur

The significance of the 'entrepreneur' is as a discursive construction which produces a particular mode of subjectivity corresponding to an emergent regime of social power. Entrepreneurship is the cornerstone of flexibility as a form of governance, because it links the subject to the primary rationale of post-industrial governance -- the market. As the central institution of post-industrialism, the flexible corporation acts as the primary interface between the self and the social, and it is here that entrepreneurial discipline emerges as a power/knowledge system. More than a matter of workplace control, entrepreneurship acts as a technology of social

positioning, producing categories of distinction within the population that are necessary for the operation of the corporatized neo-liberal state. Business intellectuals devote considerable attention to defining the entrepreneur and characterizing him or her in a particular manner. As a consequence, not only are self and society redefined but also the concept of the entrepreneur, who is now not simply a lone risk taker but simultaneously a team player, a member of a community of entrepreneurs within the corporate setting.

Within the problem-setting narrative of the business restructuring genre, the entrepreneur has emerged, or rather reemerged, for two main reasons. First, the chaotic marketplace requires entrepreneurship on the part of corporations and their employees and second, within the narrative, people's attitudes have been shifting for some time toward a need for self-fulfillment at work. Globalization and growth of niche markets has intensified competition and requires innovative risk-taking to capture markets and continually expand and shift product development. The required flexibility is beyond the capacity of bureaucratic hierarchies and their specialized, role-based work processes. Instead, employees must contribute directly to market value through customer service, with as little mediation by organizational structure as possible, and through contribution of knowledge-value to corporate products. As well, American character has been changing since the 1960s from that of the passive consumer of mass-market goods and cog-like, bureaucratic paper pusher to that of the sovereign consumer and the demanding employee, searching for more fulfilling work even if it means reduction in pay and benefits. These material benefits of work have

become of secondary importance: "[m]aterial affluence for the majority has gradually shifted people's orientation toward work -- from what Daniel Yankelovich called an 'instrumental' view of work, where work was a means to an end, to a more 'sacred' view, where people seek the 'intrinsic' benefits of work" (Senge, 1994: 5).

Within this discourse, globalization and social discontent intersect in the entrepreneurial employee and the task for corporate managers is to find methods for promoting this development and allowing it to reach its ultimate promise. The obedient bureaucratic employees of the past have become the sovereign employees of the present and future. They are empowered through access to information technology and the elimination of supervisory hierarchies. They can express their natural inclination to explore and learn in a changing environment. They are risk-takers and experimenters, using corporate resources to pursue audacious goals, make mistakes, learn from them, and create value for the corporation. They are self-fulfilled through business; "[e]veryone a businessperson" is the battle cry of the new workplace (Peters, 1994: 10).

2. Government at a Distance: A Framework for Analysis

Foucault's primary contribution to organization studies is his insight that within modernity, the management of subjectivity has become a central task for organizations. "Organizations have come to fill the space between the 'private' lives of citizens and the 'public' concerns of rulers" (Rose, 1989: 2). Organizations involve the calculated management of human forces and powers in pursuit of the

objectives of the institution; managers must attempt to regulate the subjectivity of the organizational subject in achieving those objectives. Consequently, modernity has witnessed the development of expertise in subjectivity as new professional groups have arisen to measure, classify, and remedy the inner self. From these experts has flowed a new way of thinking and talking about beliefs, wishes, aspirations, and ethics (Rose, 1989: 3). People have become intensely subjective as the language of subjectivity enters social discourse and contributes to the manner in which people evaluate and understand themselves, their personal feelings, their hopes, ambitions, and emotions.

The result has been what Christopher Lasch disapprovingly labels a "culture of narcissism" (Lasch, 1979). This involves a hyper-self-awareness and self-inspection of subjective needs and wants and the search for fulfillment of these needs. In this way, discourses of subjectivity contribute to the individualization of social subjects by removing identity construction from the realm of traditional social agencies such as class, family, gender, and community, and placing it onto a purely self-constructed biography. Business restructuring texts are as much about subjectivity as they are about corporate organization. Business intellectuals, as experts in pursuit of a science of management, are implicated in the production and reproduction of particular discourses of subjectivity. In the 1990s, these discourses tend to centre around the search for self-fulfillment.

American business intellectuals have abandoned the notion of direct conditioning of employees through behaviourist methods of positive and negative

reinforcement. Both bureaucratic discipline and corporate cultural ritual relied upon direct conditioning to some extent. Instead, the business intellectuals of the 1990s are more subtle, acting upon the choices, wishes, values, and conduct of the employee in an indirect manner. Their expertise provides them with a distance from the activities of employees and achieves its effect through the persuasion inherent in its truths, the anxieties stimulated by its norms, and the attractions offered by its images of life and self. The employee is no longer considered to be motivated by calculations of pain and pleasure, but rather, is to be solicited and educated into a conflation of personal aims and institutional goals. In this way, control is deferred to the subject rather than managerial structure and business intellectuals can claim the end of explicit control.

Miller and Rose (1993) point out how socialization into a knowledge system, rather than conditioning or coercing, is consistent with liberal notions of governance which require indirect mechanisms of rule because of the impossibility of micro-managing the social.³² It is "government from a distance" and flows from the question: how is it possible to act upon people and places that are not under direct observation and control? The answer involves finding methods of linking the planning and calculation of a central governing body with the actions of semi-autonomous agents, not through direct imposition but through the establishment of a looser affiliation of agents within a network. This involves alliances formed not only because one agent depends upon another for resources that can be used as a source of persuasion or compulsion but also because one actor convinces another that their goals are intrinsically linked, their interests are the same, and each can achieve their ends

by joining forces. It is not so much an appeal to common interests as it is the construction of allied interests through calculation and rhetoric (Miller and Rose, 1993: 83-84).

In this process a translation occurs in which one agent is able to require or count upon a particular way of thinking and acting from another, assembling various agencies into a network, not strictly through institutional ties, but also through the definition of problems in a consistent manner that suggests their fates are intertwined. This occurs in part, through adoption of shared vocabularies, theories, and explanations, while the agents remain in some sense distinct and autonomous.

The application of this theoretical approach, first developed to describe relations between European imperial powers and their overseas colonies, seems obvious. Within the decentralized corporation, direct force is less of an option for central management, which comes to rely on management from a distance. Therefore, it takes the form, in part, of an attempt to redefine organization, and organizational subjectivity, in such a way that the goals of individuals and teams become synonymous with those of the corporation itself. Although employees still rely upon corporate employment for their well being, they can only find self fulfillment through the corporation, which in turn depends, for profitability, upon the very qualities that create self-fulfilled employees. Therefore, employees and corporations enter into an alliance, or as some business writers refer to it, a "social contract", which links their interests together, creates mutual obligations, and allows for a degree of autonomy from each other.

In the business field, I argue that there are four primary processes at work when the discourse of entrepreneurship is employed as a technology of government from a distance. These include: equating corporate work with personal pleasure, using entrepreneurship as a code for social positioning, employing entrepreneurship as a depoliticizing discourse, and promoting entrepreneurship as a universal principle. I will discuss each of these in turn.

3. Reuniting Work and Pleasure

How does government at a distance work itself out in the flexible corporation? It operates, in part, through equating work and personal pleasure. There have been other management approaches which attempted to reunite work and pleasure, often through work group autonomy or worker participation in decision-making committees. Unlike these earlier attempts, however, current discussions of work as pleasure are a more fundamental vector of attack on the very concept of bureaucracy. This critique holds that bureaucracy is destructive of individuals because it imposes a regime of impersonality, acceptance of superior-subordinate relations, strict adherence to procedural rules, and a separation of work-life and private-life. The result is an instrumental rationality that represses and excludes the personal and the emotional. It divides duty and pleasure. As a result, dysfunctions develop in the form of alienation and its attendant problems of commitment and motivation:

... many leaders act as if a person can choose to stow their emotions at the front door. Some believe that people can (and should) separate their feelings from their analytical abilities and strive to make purely objective judgements.... The assumption is that to be productive,

people should learn to limit their expression of fears, anxieties, anger, and disappointments.... The irrationality of this assumption, the sheer futility of it, should be obvious. Our experience and decades of research make it abundantly clear that people are *always* affected by their emotions, and often significantly so (Heil, Parker, and Tate, 1995: 24).

Entrepreneurship works to reunite the atomized individual of industrial modernity by bringing the pleasure back into work. This is achieved through employee empowerment:

A task oriented, traditional company hires people and expects them to follow the rules. Companies that have reengineered don't want employees who can follow the rules; they want people who will make their own rules. As management invests teams with the responsibility of completing an entire process, it must also give them the authority to make the decisions needed to get it done (Hammer and Champy, 1993: 70).

Peters' *Liberation Management*, is the pinnacle of this type of rhetoric both in its 'sound-byte format' and its celebratory content. Drawing upon New Right sources such as F.A. Hayek, he paints a picture of the present future as strictly "horizontal" as a result of the death of oppressive bureaucracy; people will be fulfilled through a "just do it" individualism, and community will take the form of flexible collaboration as people come together for a time to work on projects of mutual interest and then disband and move on to other teams and other projects. Ironically, this vision almost resembles a Marxist utopia but with the difference that these activities and structures will occur within a corporate environment where capital is still privately owned. This evidences one contradiction in current business restructuring discourse: it appears rebellious, advocating the overthrow of corporate hierarchy, but at the same time reinforces capitalism as a mode of production and governance.

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a. Empowerment Through Authority

Private ownership by an elite is not at issue in this formulation of the pleasurable future of work. According to business intellectuals, it is the division between labour and decision-making authority that is the basis of alienation and when that division is collapsed, work will once again become a pleasure; the employee can bring his or her personal self back into the work process. Heil, Parker, and Tate argue that employee behaviour has always been emotional as well as rational. To encourage employees to feel like "owners" and approach their work enthusiastically, the corporation must be humanized:

While the humanness of the system adds complexity, with this complexity comes opportunity. As organizations increasingly rely on people to sustain organizational success, designing a system that builds trust, enhances loyalty, captures enthusiasm, stimulates interest, and deepens commitment may create a hard-to-duplicate source of sustainable competitive advantage. Dealing effectively with people requires, among other things, genuine caring, empathy, and the ability to mesh organizational objectives with the individual goals of a wide variety of people (Heil, Parker, and Tate, 1995: 25).

Despite their denial of property ownership as a basis of alienation, it continues to intrude upon business texts. Heil, Parker, and Tate claim: "We want all employees to feel like 'owners' and approach their work enthusiastically" (Heil, Parker, and Tate, 1995: 25). One of the purposes of entrepreneurial discourse is to create the *simulation* of employee ownership and control as a means of eliminating alienation and spurring motivation and commitment. By allowing undirected creativity, business intellectuals hope to instill a feeling of control over capital. The potential success of such a strategy is questionable, however, since it does not address

the issue of alienation in its entirety, including control over the product of labour or the means of production. As well, employees do not really have control over the labour process; instead, management control is transferred to the symbolic realm of technologies of the self -- redefinitions of identity-constituting meanings which serve as a means of directing the course of effort.

Gorz (1989) criticizes business rhetoric that claims to empower employees and reduce their alienation by giving them a larger stake in organizational decisions. Arguing from the Marxist perspective, he suggests that 'enterprise', rather than being about empowerment, is directed at restructuring labour into a system of permanently employed elites and a mass of underemployed and unemployed people:

The image of the enterprise as a place where employees can achieve personal fulfillment is therefore an essentially ideological invention. It conceals the real transformations that have taken place, namely that enterprises are replacing labour by machines, producing more and better with a decreasing percentage of the workforce previously employed, and offering privileges to a chosen elite of workers, which are accompanied by unemployment, precarious employment, de-skilling and lack of job security for the majority.

The advance of technology has thus resulted in the segmentation and disintegration of the working class. An elite has been won over to collaboration with capital in the name of work ethic; the great mass of workers have become marginalized or lost their job security and serve as a reserve army for industry which wishes to be able to adjust its workforce rapidly according to fluctuations in demand (Gorz, 1989: 66).³³

Through recasting work as fulfilling and empowering, management has redefined entrepreneurial work as a pleasurable utopia while simultaneously using technology to disintegrate any oppositional sources of power and control such as a unified working class, labour unions, and traditional social bonds which may restrict

mobility and adaptability (Gorz, 1989: 67). At the same time, the elite of permanently employed managers is co-opted into a work ethic which exactly reproduces the interests of capital. Nowhere in this process does the executive relinquish significant control over work processes. Instead, although employees may have more decision-making authority, they also have more personal responsibility for corporate success:

There is a great deal of talk today about 'entitlement' and 'empowerment.' These terms express the demise of the command and control-based organization. But they are just as much terms of power and rank as the old terms were. We should instead be talking about responsibility and contribution. For power without responsibility is not power at all; it is irresponsibility.

Our aim should be to make people be more responsible. What we ought to be asking is not, 'What should you be entitled to?' but, 'What should you be responsible for?' The task of management in the knowledge-based organization is not to make everybody a boss. It is to make everybody a contributor (Drucker, 1993b: 109).

In the end, by defining work as entrepreneurial, equating entrepreneurship and self-actualization, and linking self-fulfillment to the enhanced competitiveness of the corporation, these texts function to bring together technologies of work and technologies of subjectivity. Through abolishing bureaucracy and allowing for self fulfillment through entrepreneurship, work no longer constrains individual freedom or fulfillment of individual potentials for autonomy, creativity, and responsibility. Work provides the route to fulfillment and there is no longer a barrier between the economic, the social, and the self. "The antithesis between managing adaptation *to* work and struggling for rewards *from* work is transcended, as working hard produces psychological rewards and psychological rewards produce hard work" (Rose, 1989:

118). This is more than an ideological construction, as Gorz asserts; it is not simply a false knowledge that can be countered by a true knowledge based upon class interest. It is a shift in power/knowledge structures that shape reality and have their own internal and universalizing logic.

b. Economic Rationality and the Standardization of Experience

The entrepreneurial employee is self-fulfilled, but what are the further implications of this type of self-fulfillment? First, it means that employee interactions become market transactions. Entrepreneurship is premised upon a type of liberal thinking which redescribes the social as a form of the economic. Gordon (1991: 43) points out that this has been the effect of American-style liberalism on the language of governance in the twentieth century. Through a series of redefinitions of the object of economic analysis, experts have recast economics as a method for understanding all purposive, rational conduct, including thought itself. This is a departure from classical liberalism which restrained forces of governance from regulating the source of home economicus' activities. However, the American-style neo-liberal economic man is manipulable man, constantly responsive to the modifications made in his environment, like a cybernetic system (Gordon, 1991: 43).

How does this relate to entrepreneurship within corporations? The discourse of entrepreneurship is a further extension of economic rationality into the organizational sphere. Current business critiques of bureaucracy centre around the manner in which bureaucratic hierarchy acts as a mediating agent between

organizational subjects and the market. This is not only inefficient, but also unethical, and oppressive: "... one of the last of the centrally controlled economies is coming under the market's sway -- not Cuba, but the centrally controlled, nonmarket arenas (e.g., components, services) that dominate the inside of the traditional, vertically integrated corporation" (Peters, 1994: 337).

This extension of economic rationality has two effects on the social subject. First, entrepreneurship links individual subjectivity to economic rationality, making each life an 'enterprise of the self'. This means that there is a sense in which life is a business in which one is continually employed. One must make provision for the preservation, reproduction, and reconstruction of one's own human capital (Gordon, 1991: 44). It is the capitalization of the meaning of life through viewing personal identity and personal relationships as things which must be managed and used profitably. Peters celebrates this aspect of entrepreneurship when he states:

'When a friend joined Digital [Equipment], he was told a good news bad news story.' Charles Savage reports in *Fifth Generation Management*. 'The good news was that he had 120,000 people working for him. The bad news was that they did not know it. It was up to him to figure out how he could best network himself and build working alliances.' This quotation captures, from the perspective of the employee in the company, the brave new world that's unfolding. Those who would survive, managers and nonmanagers alike, will simply 'have to make their own firm,' create their own projects (Peters, 1994: 12).

Economic rationality, as described in business literature, also implies that social risk is no longer a matter of collective indemnification but rather an individual responsibility in the sense that risk avoidance becomes a matter of individuals moderating the burden of risk they impose upon society. If one is not entrepreneurial

within the corporation, one becomes a risk to its profitability (Gordon, 1991: 45). The result is an individualization of social subjects as they are dissociated from social reference units in the sphere of cultural and social life. Traditional sites of identity construction, such as family and class, no longer play as significant a role in identity formation. Instead, "[t]he individual himself or herself becomes the reproduction unit for the social in the lifeworld" (Beck, 1993: 130).

In addition to redefining life as an enterprise, a second effect of economic rationality, as an aspect of entrepreneurial discourse, is standardization of individual experience through the medium of the market. Individual situations are dependent upon the labour market; they are the extension of market dependency into every corner of living and everyone must tailor their biographies to this mediating force. With the marketization of corporations, these institutions become sites in which the public sphere of the market and the private sphere of individuals intersect. Since both of those spheres now operate upon market principles, there is a unity of purpose between individuals and the corporation. The latter becomes the arena within which the former can carry out the enterprise of the self. Corporate bureaucracy no longer provides the oppressive protections under which subjects previously laboured. Now, they are unleashed to create their own value and fulfill their own entrepreneurial purposes, aided by the benevolent assistance of the corporation:

"[b]y promoting individual learning, the corporation recognizes the individual's responsibility for his or her own personal and professional development, while accepting its responsibility to create an environment of opportunity in which all can thrive.... The formerly inert organization comes alive -- constantly learning and adapting -- defined by human will and passions. Squashing these wills and passions

through rigid organizational principles is a terrible waste, both to the organization and of the individual human spirit (Gouillart and Kelly, 1995: 264).

The market, as a universal force that defines organizational functioning, intersubjective relations, and relations with the self, standardizes people's experience of work through its effects on the space and time of organizations. The market is equated with changeability, which requires entrepreneurial adaptations from organizations and subjects if they are to survive. In the 1990s, corporate authority has begun to reduce the risk of time (and therefore resistance)¹¹ by making the space of the corporation a constantly changeable space which not only responds automatically to current changes in the market but attempts to capture future change through the creation of new products and new market demands. In this way, the risks inherent to shifts in consumer tastes, which are temporal risks, can be contained through extending the space of the corporation into the market and simultaneously incorporating market processes into internal corporate functioning. The inside of the corporation comes to reflect the outside force of the market, collapsing the distinction between the two. The last element necessary for full governance of the temporal force of the market is to construct employee subjectivity upon market principles as well, thereby linking the subject, the corporation, and the market to the same principles of operation, a unified process of efficiency and control through automatic response to forces of supply and demand.

Through the unification of subject, organization, and environment under the same dominant principle, the present and the future become one and the same.

Constant changeability means that tradition is no longer a desirable social or corporate trait. It simply acts to distract employees from efficiency. Time is reduced to a permanent 'now': only the present situation is significant and the future will simply be another instance of impermanent change which operates upon the same metaphysical principles as the present. A similar discourse is applied to the past as well. It is redefined as a series of ruptures which have not led to the present but rather, existed as independent situations which eventually disappeared as entirely new situations arose:

It might be far more satisfactory to look at well-adapted visionary companies not primarily as the result of brilliant foresight and strategic planning, but largely as consequences of a basic process -- namely, try a lot of experiments, seize opportunities, keep those that work well (consistent with the core ideology), and fix or discard those that don't (Collins and Porras, 1994: 148).

What stays the same is the "core ideology" of the corporation: "[l]ike the genetic code in the natural world, which remains fixed while species vary and evolve, core ideology in a visionary company remains unchanged throughout all its mutations" (Collins and Porras, 1994: 168). Core ideology gives a corporation something that biological species do not have, "a purpose and a spirit" (Collins and Porras, 1994: 168). This purpose is the furtherance of capitalist enterprise and this spirit is the spirit of enterprise. These will never change, and both corporate and social functioning will continue to pursue this purpose for the foreseeable future.

This is an insight into corporate management thought that is often missing from academic literature. Social scientists are currently debating the use of linear v. cyclical perspectives on time within organizations (Blyton et al., 1989; Clark, 1990).

However, to the extent that business restructuring literature is an expression of management thought, time has neither of these meanings in current practitioner oriented discourses. The past is not an evolutionary step toward the present and the present is not a transition period into the future. Rather, the immediate past of bureaucratic, centralized, mass production organizations is a form appropriate only to its particular temporal-economic context and is now inappropriate. It was not an evolutionary step but rather, acted as an inhibition to the changes needed for contemporary corporate survival. The flexible corporation of the present acts as a break from the past just as the bureaucratic organizations of earlier in the century represented a break from the family-run entrepreneurial companies of nineteenth century North America.

4. The Entrepreneur as Technology of Social Positioning

In Discipline and Punish, Foucault observes:

The unit [of discipline] is, therefore, neither the territory (unit of domination), nor the place (unit of residence), but the *rank*: the place one occupies in a classification, the point at which a line and a column intersect, the interval in a series of intervals that one may traverse one after the other. Discipline is an art of rank, a technique for the transformation of arrangements. It individualizes bodies by a location that does not give them a fixed position, but distributes them and circulates them in a network of relations (Foucault, 1979: 145-46).

In other words, discipline acts as a form of social positioning. Entrepreneurship, as a disciplinary discourse, has the effect of coding social subjects into various positions within the social field. Within the genre of business restructuring literature, I argue that entrepreneurship operates as a basis for social positioning through a three step

process: representing the social, cultural, and political as economic; centring corporations within the social sphere and empowering them as arbitrators of social positioning; and coding and circulating social subjects according to their relationship to entrepreneurship.

Gordon (1991) points out the essential movement of American liberalism as a redefinition of the social as economic. Drawing upon the same sociopolitical discourse, business intellectuals of the 1990s are very explicit about the basic economic nature of social organization. Gouillart and Kelly argue that before corporations can assume their rightful role as the "pre-eminent" institution of society, they must recognize "that the economic universe consists of more than competition; that it also consists of community, social, and environmental problems. It involves a recognition by corporate leadership that turning a blind eye to society's ills won't generate any cures for them" (Gouillart and Kelly, 1995: 312). Drucker argues that virtually all social progress in the twentieth century is due to growth in corporate productivity (Drucker, 1993a: 114). Peters suggests that, "[i]t seems no accident that the earth-rending reassessment of paths to satisfactory corporate performance is occurring at the same time that totalitarian states are collapsing..." (Peters, 1994: 470). The market, as the central institution and natural basis of social organization, being in a chaotic state, requires that corporations and societies become disorganized and adaptable, and employees and citizens become entrepreneurs.

The effect of this elevation of economic rationality as the universal basis for governance is to recast the discourse of social positioning. Because the market is the

arena of social interaction and since the corporation is the primary market institution, corporations rightfully occupy the central place within society:

In this, the Communications Age, we believe that corporations have an opportunity to evolve from *dominance* to *preeminence*, to become loved and respected institutions. Like many others before us, we see them taking on a broader and broader social role: still in operation to generate profits, to be sure, but also becoming fundamentally important socioeconomic nodes in the individual's ever expanding connectivity networks. We see in corporations and in networks of corporations the resources and the know-how to help reclaim the inner cities, to become one of society's primary educational forces, to provide extensive family and community services, to be the environmental stewards of the products they create, and to play a key role in preserving mother earth (Gouillart and Kelly, 1995: 309-10).

Therefore, corporations are well-placed to legitimately assume the role of arbiters of social positioning. However, corporations, within business discourse, are dependent upon entrepreneurial employees, and the new "business revolution" currently underway will not succeed if employees do not "sign on" (Davidow and Malone, 1992: 185). Consequently, a new social contract is necessary.

That ratification cannot be impelled nor induced. It must be voluntary. It must occur as part of a larger redefinition of the relationship among workers, management, and, where it still exists, organized labor. This redefinition constitutes a new social contract, one that not only redistributes power but also demands an unprecedented level of cooperation and, once again, trust (Davidow and Malone, 1992: 185).

One must question the extent to which the claim of corporate dependence upon entrepreneurial employees is necessarily universal. Will the corporate society survive if only a few employees sign on to the entrepreneurial imperative? Drucker suggests that not only will it survive, it will be essential that not everyone be included. He admits that not all jobs are value-creating and should be removed to a secondary level

of employment. For example,

... clerical work increasingly will become 'uncoupled,' the way much physical office work -- cleaning, maintaining the equipment, running the cafeteria -- already has been. Rather than being employees of the institution whose office work they do, more and more clerical workers will be employed by specialized and independent contractors (Drucker, 1993: 127).

Drucker distinguishes between service work and knowledge work and seems to imply that this division will form the basis for new class conflicts within society. This view is echoed by Gorz (1989) who, as previously mentioned, characterizes post industrial societies as having a class division based around a permanently employed elite of knowledge workers who are served by an unstable service class dependent upon 'flexible' employment. Gorz cites empirical studies carried out by German trade unions which anticipate a three-part labour division: a *stable core* of entrepreneurial corporate employees constituting 25 percent of the labour force; a *peripheral workforce*, constituting 50 percent of the labour force, consisting of both permanently employed and occasionally employed corporate administrative and service staff; and an *external workforce* of skilled professionals and unskilled labourers, constituting 25 percent of the labour force, occasionally employed by subcontractors (Gorz, 1989: 66-7).⁴⁵ What is the basis for positioning social subjects within these categories?

Entrepreneurship plays an important role in the discourse surrounding the circulation of employees into different social and occupational categories (which become one and the same in the post-industrial corporate society). Within the discourse, employees are entrepreneurs of the self, bearing the responsibility for

ensuring that they are prepared to live up to the entrepreneurial demands of the corporation. Hammer and Champy are clear in calling for the need to screen employees:

Empowerment is an unavoidable consequence of reengineered processes; processes can't be reengineered without empowering process workers. Consequently, companies that reengineer must consider additional criteria in their hiring. It is no longer enough merely to look at prospective employee's education, training, and skills; their *character* becomes an issue as well. Are they self-starting? Do they have self-discipline? Are they motivated to do what it takes to please a customer?

Reengineering and its consequent empowerment have powerful implications for the kinds of people companies will hire (Hammer and Champy, 1993: 71).

Davidow and Malone echo Hammer and Champy, stating that in the "virtual corporation," "[h]iring practices will select for adaptability and change" (Davidow and Malone, 1992: 187).

It is not simply a matter of hiring practices, however. Flexible corporations demand working practices that cohere with the culture of the corporation. Even if one were to slip through the hiring process, one must still be willing and able to perform according to the requirements of the corporation, which are designed to reinforce entrepreneurial values and a customer-service ethic in employees at all times. In the post-bureaucratic corporation, one does not simply fulfill a role within a structure; rather, one participates in a process, heart and soul:

During a research team meeting, one of our research assistants made the observation, "Joining these companies reminds me of joining an extremely tight-knit group or society. And if you don't fit, you'd better not join. If you're willing to really buy in and dedicate yourself to what the company stands for, then you'll be very satisfied and

productive -- probably couldn't be happier. If not, however, you'll probably flounder, feel miserable and out-of-place, and eventually leave -- ejected like a virus. It's binary: You're either in or you're out, and there seems to be no middle ground. It's almost cult-like' (Collins and Porras, 1994: 122).

Performing one's job in an efficient and professional manner is no longer sufficient in the flexible corporation, one must buy into a way of life. The entrepreneur is a creature of total dedication even as he or she performs independently and creatively. This appears to be another contradiction in the discourse. Is the entrepreneurial employee seeking self-fulfillment along his or her own path or is it a prescribed path set by corporate culture? I will address this question in more detail in chapter 8.

Given the importance of individual employees as units of responsibility within the marketized corporation, new forms of regulation must be designed to ensure that executive interests are maintained in the operations of entrepreneurs. A problem of agency emerges and, despite the positive rhetoric of employee empowerment surrounding entrepreneurship, the entrepreneur/agent becomes a risk to corporate profitability because, as a sovereign subject of self-interest, he or she may not operate for the furtherance of corporate profitability. Consequently, a new form of administration arises, as implied by business restructuring literature, based around a dissolution of the corporate subject altogether and replacing him or her with a set of *factors of risk*. Current management science, as it is expressed through the works of business intellectuals, involves delimiting a number of abstract factors considered liable to produce risk. Castel (1991) develops this idea in his study of current administrative practices within the caring professions, including psychiatry, medicine,

and social work.³⁶

With the discursive shift from hierarchical bureaucracy to flexible corporate entrepreneurship, a new mode of surveillance becomes necessary that does not rely upon actual presence, contract, and a relationship between the watcher and the watched. Discipline no longer implies targeting an individual to correct or punish him or her. This is because of a new regime of surveillance designed to intervene before observation and correction become necessary, a "systematic predetection", which involves first dissociating the concepts of danger and risk: danger no longer arises from a concrete threat embodied in an individual or group (Castel, 1991: 288). Instead, it results from a combination of abstract factors which make probable the occurrence of undesirable behaviours. The subject becomes a set of factors statistically liable to produce risk. The purpose of these strategies of predetection is to anticipate all possible forms of danger, construct a model of the objective conditions for the emergence of danger, and deduce new modes of intervention (Castel, 1991: 288).

This suggests the bliss of chaos is not entirely positive, nor is it an occasion for celebration. Instead, it presents a set of risks which business intellectuals are scrambling to curtail through technologies of risk management. The target becomes the subject and risk management involves developing strategies which function as technologies of the self. Danger lies not only in the external environment but also within the subject, in the form of a set of risks that may impair the competitiveness of corporations, including non-competitiveness, lack of initiative, inadequate self-

discipline, poor judgement in educational and career choices, inability to 'buy into' a customer-service culture, and so on.

Castel suggests that this strategy of management is unique to neo-liberal, post-industrial societies, relying neither on bureaucratic repression nor on "welfare interventionism", but rather on developing differential modes of treatment of potential employees aimed at maximizing returns on those who are profitable and marginalizing those who are not (Castel, 1991: 294). Rather than segregating and eliminating undesirable elements from corporate employment, people are assigned different social destinies based upon their capacity to live up to the requirements of competitiveness and profitability.

It is here that Castel's vision of the corporate risk society meets up with Gorz's view of the segmented labour market of near future post-industrialism. Like Gorz's distinction between the permanently employed elite and the under or unemployed underclasses, Castel notes that in its extreme form, the flexible society could involve:

the coexistence of hyper-competitive sectors obedient to the harshest requirements of economic rationality, and marginal activities that provide a refuge (or a dump) for those unable to take part in the circuits of intensive exchange. In one sense this 'dual' society already exists in the form of unemployment, marginalized youth, the unofficial economy. But until now these processes of disqualification and reclassification have gone on in a blind fashion. They have been uncontrolled effects of the mechanisms of economic competition, underemployment, adaptation or non-adaptation to new jobs, the dysfunctioning of the educational system, etc. (Castel, 1991: 294).

Corporations, as the central institutions of society, become the primary arbitrators of social destinies, evaluating each prospective employee in terms of a set of risk factors

and choosing those who appear most likely to perform in a simultaneously entrepreneurial and team-like fashion. In this way, entrepreneurship becomes a discourse of social positioning.

In some ways, this vision of the present/future is reminiscent of the organization of Japanese society. As even William Ouchi admits, only 35 percent of Japan's workforce enjoys permanent employment in large corporations (Ouchi, 1982: 15). The remaining 65 percent work for smaller firms and act to buffer the elite from economic fluctuation, being hired and fired according to market conditions. Through the type of labour organization envisioned by Gorz and Castel and described by Ouchi, marginality itself becomes an organized zone within the social, containing those persons incapable of following more competitive pathways. In such a society, governance is no longer obsessed with discipline, it is obsessed with efficiency (Castel, 1991: 295). It is based upon a myth of security through prevention, which is, in turn, premised upon a belief in the scientific evaluation of individual abilities. All of this is guided by the needs of corporations for entrepreneurial employees who will maintain corporate competitiveness and national well-being through their efforts.

5. Entrepreneurship and Depoliticization

Within the flexible corporation and the flexible society produced in business restructuring literature, concerns of supervision are no longer important because the entrepreneurial employee/social subject is motivated by technologies of the self which guide him or her toward self-fulfillment through enterprise, with the effect that the

discourse of entrepreneurship acts to depoliticize the employee. This is produced through two main discursive strategies. First, the language of politics becomes irrational within entrepreneurial discourse: the public is redefined as customers and therefore, service of customers through corporate employment becomes a public service. Meanwhile, the universalizing tendency of the discourse converts it to an infrastructural matter that goes beyond politics and becomes a matter of culture or even nature. Second, entrepreneurship involves certain types of diversity management which characterize the issues of identity politics in a certain way that attempts to capture diversity while also, at the same time, serving to deny it.

In terms of giving politics the appearance of irrationality, Castel's work provides a starting point. Systematic predetection, as described by Castel, can be viewed as a form of insurance against a particular type of risk. As Simon (1987) points out:

Insurance represents individuals 'actuarially' as instances of a population. This makes it more difficult to conceive of individuals as sovereign subjects, with moral and political dimensions. Actuarial methods aggregate individual experience to predict and plan for risk. They are becoming more prevalent in all parts of society. They represent collective life by 'objective' characteristics, distinct from the kinds of bonds that individuals intentionally create with each other. This makes it more difficult to act together as groups, and to understand ourselves as members of a community (Simon, 1987: 62).

Despite business rhetoric of fulfillment and autonomy through entrepreneurship, it is a channelled autonomy that belongs to those who are coded as acceptable to the corporation and who have shown a predisposition to share corporate values about entrepreneurship. As a consequence, political and moral action appears increasingly

irrational within what amounts to a mechanical solidarity of shared values; when an employee speaks out against a management practice or resists an organizational process, he or she is drawing upon cultural forms of moral and political action that depend upon a particular kind of community as an audience, a grouping of politically sovereign people who can make political choices that differ from those of management.

Entrepreneurial discourse does not promote political sovereignty but rather, economic sovereignty. With the end of history, and the international triumph of liberalism and capitalism, the proper form of organizational structure and process has been revealed. Consequently, political choice is no longer necessary. There is only one proper choice. This is especially true in the workplace where repressive hierarchies are being dismantled, at least discursively, and therefore, the effort bargain of the labour process is no longer necessary. Everyone apparently works for him or herself to find self-fulfillment through creative expression in productivity. In such an environment, organizational politics becomes meaningless, as the common sense of shared goals between the executive and other employees becomes clear and becomes a matter of management guidance instead of negotiations between power interests.

The corporation is, therefore, progressive and offers an enlightening model for cultural and social forms. This leads to the second strategy by which business intellectuals discursively depoliticize organization -- diversity management. Thomas (1991), defines diversity management as a reshaping of corporate culture and

processes to empower whoever is in a corporate workforce. This involves not only accepting a diverse workforce in terms of race, ethnicity, and gender, but also a diversified management structure. In business literature, this is often set in contrast to affirmative action programs which are represented as rule-bound, emphasizing race and gender as group differences. Diversity management is culture-bound and emphasizes individualized and custom-made solutions. Affirmative action puts the corporation in the business of helping people who are disadvantaged but diversity management puts people from diverse backgrounds to work helping the corporation succeed (Gordon, 1995: 9).

Thomas defines diversity in this way:

Some of the differences are easy to identify, for they are visible right on the surface: individuals are male or female, young or old, white or minority. Other differences are not so easy to see: education level, lifestyle, goals and ambitions, sexual orientation, personal values and belief systems involving loyalty to authority, commitment to the organization's vision, ways of thinking, and respect (or fear) for new ideas.

Within any one organization, you might find representatives of several of these groups: some who are inclined to push against authority, some who are very cautious with change, some with an entrepreneurial, 'loner' style, some who flourish in a team setting. And you would probably see women and men of several different races and ethnic groups: white, black, Asian, Hispanic, native American. This mix is termed 'diversity.' The more different groups there are represented in any one organization, the more diverse that organization is (Thomas, 1991: 2-3).

In this definition, Thomas assumes an unproblematic visibility of race and gender and dissociates these from values, belief systems, and modes of authority. He implies that adaptation is two-way, both the corporation and the employee must adapt instead of

only the latter. The idea is to create a sustainable environment that will work naturally for everyone. It is a *management* problematic rather than a matter of civil rights, women's rights, humanitarianism, or social justice. As is true of business restructuring literature in general, the managerial perspective is held up as the most progressive mode of governance because it refuses tradition in favour of future possibilities. It is not restrained by a history of legal formalism and political struggle as are the civil rights and women's movements.

Although in some ways, the concept of diversity management in corporations may seem positive, because it appears to accept difference, it has a number of negative potentials. The first is suggested by Davidow and Malone when they cite the 1987 Hudson Institute report entitled, *Workforce 2000: Work and Workers for the 21st Century*, an often-cited source among business intellectuals. Davidow and Malone summarize the report:

The baby boomers that have swelled the ranks in recent years have now, for the most part, joined the employed. This is the last group in our lifetime that will include the stereotype of the average American worker -- that is, white and male. Among the twenty-five million new workers in this decade, only 15 percent will fit this profile. By comparison, 42 percent will be women, a group that historically has not migrated to technical careers; 20 percent will be native (nonimmigrant American) nonwhite men and women; and 22 percent will be immigrants, many of whom will have to learn English (Davidow and Malone, 1992: 189).

Davidow and Malone fall into the same historical amnesia as all business writers who discuss this issue: American society was homogeneous in the past but, that is no longer the case. Business intellectuals 'discover' a new racial and ethnic diversity in American society and at the same time, excuse corporations from any responsibility in

keeping the corporate workforce homogeneous within a historically very heterogeneous population. Business intellectuals can elide the historical rationale for affirmative action programs and civil and gender rights movements by eliminating the history of corporate racism and sexism and the corporate role in demanding a labour force stratified according to race and gender.

Consequently, an increased rate of white, female labour force participation is a matter of a heightening of feminist consciousness or an increased interest in 'technical careers' instead of a product of the economic crisis of the mid-1970s (Gordon, 1995: 16). The presence of Latin American and Asian workers is rarely linked to global political economy and conflict. The dominance of white, middle class, males within the corporate workforce is not viewed as a position dependent upon, or reflective of, politics. 'Diversity' converts race and gender issues into individual differences instead of a set of social relations involving interpretive codes, unequal effects, and types of subjectivity involving powerful forces of marking and injury (Gordon, 1995: 16). These issues are treated as non-negotiable facts easily resolved through the right employment practices. Diversity has no history; it is located in the cultural here and now and is properly the realm of management.

Diversity management encourages difference but does not grant it any real autonomy or control. Rather, unity and control remain vested in management and its unquestioned authority to make rules, arbitrate disputes, and generate discourses. Gordon (1995) points out three ways in which diversity management continues to require obedience to management authority. First, it demands that employees give the

corporation their entire person, including cultural identity, which must be contributed to the corporation in the service of entrepreneurship. Second, it keeps control of the corporate mission and the capitalist system remains unquestioned. Diversity management is capitalist management, not democratic self-governance. Third, diversity management creates a model of culture for the larger society, suggesting an avenue for harnessing diversified social labour in general.

The purpose of diversity management in corporations is to harness a potential source of competitiveness. Peters makes this clear when he argues that "women and minorities", who have only just begun to gain a foothold into the corporate hierarchy, and who are now watching that hierarchy disappear, are actually in a positive position: "[b]ecause women and minorities have only recently joined the middle management ranks, they are less likely to be caught up in its bureaucratic ways; and many, frustrated by the glass ceiling, have already struck out on their own" (Peters, 1994: 450). Uninfected by the corrupting effects of bureaucracy, the natural entrepreneurial spirit of "women and minorities" remains intact, making them better prepared to face the contemporary marketplace. Corporations have done them a favour by refusing to hire or promote them in the past!¹⁷

In the end, the language of diversity management recasts issues of race, ethnicity, and gender as individual problems. Newman, in a study of business literature aimed at women, finds that,

Women are enjoined to stop complaining and conform to this 'new realism'. Over and over again we find the formulation 'this may be unfair, but it's how it is so get on with it rather than complaining' whether this is the treatment of women in the business world as a

whole, in organizational life, or within the family. But this representation of what is real denies that other reality of structural inequalities (Newman, 1991: 255).

Newman points out that feminist issues are defined in liberal terms within this business literature, focusing on individual advancement and the legitimacy of women gaining entry to male preserves. The texts are depoliticizing because,

... they construct an image of a world in which opportunities appear to be open, in which gender seems no longer to be a problem to be addressed except at the level of which image of femininity to choose. They neutralize the issues of work, family and sexuality which feminism struggled to put on the political agenda. All reject the possibility of confronting and challenging male values and behaviour: all accept the legitimacy of the structures and cultures of organizational life and merely debate how women can best gain entry (Newman, 1991: 255).

The enterprise of the self becomes the primary theme in the question of diversity management. It is a matter of personal effort and personal choice, adopting the right attitude to overcome obstacles that other individuals may present over issues of race and gender.

6. Entrepreneurship: The Universal Rationale

A final characteristic of entrepreneurialism of importance in the issue of governance is its universalizing nature. Gordon argues:

Corporate culture, in the broadest sense, influences and supervises public modes of governance not simply through conventional corporate influence on state politics, or through interlocking networks of elites, or through the generalization of the commodity form -- the cultural critic's usual emphasis -- but as a model of cultural and social relations. Significant changes in corporate culture not only refashion the corporation but make the social forms and identities produced there reign commonsensically in our public and private lives. In other

words, corporate culture strives, particularly when it conceives of itself as a 'sustainable environment,' to become socially dominant (Gordon, 1995: 19).

As previously discussed, the flexible corporation, with enterprise as its cornerstone discourse, grants itself a paradigmatic status as the preferred model for any institutional organization and at the same time, as an ethical model of self governance. As more and more social spheres become market dependent, the plurality of modes of operation and calculation that have characterized liberal democratic societies in the past are increasingly subsumed under the overriding logic of one dominant form of rationality -- a process of governmental de-differentiation. As a result, as du Gay demonstrates:

... if the process of differentiation inaugurated distinct spheres of existence to which specific ethical protocols applied then the process of de-differentiation implies that one overarching ethos is now constitutive of all human activity. This, 'market dependency' implies the reconfiguration of human conduct around one universally appropriate benchmark or principle and that principle is 'enterprise' (du Gay, 1994: 135).

If this is the ultimate goal of business intellectuals, to find an overarching principle of governance that explains human activity in general, then one must question the extent to which its critiques of bureaucratically-based governance are valid. As a number of analysts point out, liberal democracy has traditionally rested upon a principle of the separation of different spheres of institutional life (du Gay, 1994; Minson, 1993; Walzer, 1984). Within this setting, different social goods constitute different social spheres within which different rationales of distribution are appropriate. For example, advancement through promotion ideally depends upon

principles unique to that good and should not be corrupted by goods from other spheres such as money, kinship ties, and so on (du Gay, 1994: 128). Such a society is complex and differentiated, having some degree of both freedom and equality as judged by the success of the state in ensuring that the separations between different social spheres hold and do not infringe upon one another.

In this formulation, then, democratic pluralism within liberal societies may depend not so much on the infiltration of entrepreneurial market rationality into all institutional spheres with a resulting 'diversity management', but rather upon a continuing differentiation of institutional logic systems. This is a particularly relevant line of critique in light of the business attack on the concept of bureaucracy. Business intellectuals attack bureaucracy as ethically deficient because it is non-competitive and because it divides the self between work interests and personal interests. Is this a valid critique? Not necessarily, because it is a critique of bureaucracy solely from the perspective of entrepreneurial principles. Rather than examining the flaws within the logic of bureaucracy, it critiques in terms of the failure of bureaucracy to meet the objectives of enterprise.

Bureaucracy has its own ethic based upon adherence to procedure, acceptance of subordination and superordination, commitment to the purposes of the office, independence from ties to other groups, and technical expertise based on training and public certification. This is not unethical within its own rationale. Weber's description of bureaucracy as impersonal and objective was intended as a periodized contrast to the private prerogative of traditional and charismatic forms of

organization, which had in turn been considered legitimate at various times and places. This does not mean that personal feeling or commitment is necessarily absent from bureaucratic organizations and work. Bureaucracy does not preclude sentiment as long as sentiment does not lead to corruption through the intrusion of an outside rationale such as patronage, for example. Therefore, bureaucracy represents an important resource in separating the administration of public life from private moral absolutisms.

Through proposing business approaches to institutions previously seen as non economic, entrepreneurship becomes the basis for the relationship between employees, their work, and their selves. This threatens other distinct spheres of personhood and the liberties, equalities, and freedoms predicated upon the separation of these spheres become problematic. What does this mean, for example, in the operation of governments? Osborne and Gaebler (1992) argue that civil servants should be entrepreneurs, with personal ownership over policies which they have generated, in order to instill a sense of commitment and involvement. This loses sight of the crucial civic, public role involved in separating public administration from personal interests and morality. Adopting a 'can do' attitude in the civil service where top level administrators are encouraged to show initiative and enterprise around particular projects, and acquire a sense of ownership over the 'product', suggests that there is no difference in the roles of governments and corporations. As du Gay states:

If bureaucracy is to be reduced or abandoned and an entrepreneurial style of management adopted then it must be recognized that while 'economic efficiency' might be improved in the short term, the longer term costs associated with this apparent 'improvement' may well

include impartiality, complex equality, pluralism and other crucial 'qualitative' features of liberal democratic government (du Gay, 1994: 144).

7. Cracks in the Entrepreneurial Façade

Not all business intellectuals agree with the emphasis on entrepreneurship as the primary discursive movement of flexibility. Drucker, for example, calls for a new kind of Taylorism in knowledge and service work, based upon "working smarter". This means a) defining the task and "getting rid of what needs not be done", b) asking what value a particular job adds to the corporation, and c) focusing not on increasing productivity through *work*, but rather *performance* -- which means different things in different kinds of jobs, either improvements in quality or quantity (Drucker, 1993: 99-104). Application of these processes is particularly crucial for service work because service productivity is declining and if the underemployed service class is to maintain a decent standard of living, their work must be rationalized to improve productivity. Taylor showed the way (Drucker, 1993: 110).

At the same time, however, Drucker seems to contradict himself by adopting some of the rhetoric of entrepreneurship that is common in the genre: "...the work has to be done in partnership with the people who hold the knowledge and service jobs ... The goal has to be to build responsibility for productivity and performance into every knowledge and service job ..." (Drucker, 1993: 106). Although methods must be found to Taylorize service and knowledge work, employees must also be self-managed entrepreneurs, responsible for their own performance. Drucker states this even though he does nothing to challenge the principle of management authority and

techniques of control. In effect, he seems to want a situation where entrepreneurship itself has been rationalized into a set of scientific principles which can be easily manipulated by management.

Drucker's work may reveal an underlying contradiction in the genre as a whole. Although many writers claim that people are naturally entrepreneurial and the flexible corporation must operate to unleash that tendency rather than restrain it, there is also an underlying theme of both having to weed out non-competitive individuals in the hiring process and having to train employees in entrepreneurship. Managers are not quite willing to trust to the naturalness of enterprise. Methods must be found to instill entrepreneurial values and to harness them to the interests of the corporation. Thus, control, in some form, must be maintained.

8. Summary

Entrepreneurship is a central component of the flexibility model of organization and has been thoroughly critiqued for its implications of control of subjectivity (du Gay and Salaman, 1991; Hayes, 1990; Kunda, 1992; Willmott, 1993). One need not resort to external critiques, however, to examine how control continues to intrude into discourses of flexibility, despite its understatement in the surface rhetoric of the texts themselves. Although business intellectuals confidently claim that entrepreneurship promises a reuniting of work and pleasure, empowerment through decision-making authority, and freedom from bureaucracy, it also promises government from a distance arising from a need to control unmitigated agency.

Control is evoked through four discursive movements. First, economic rationality is expanded in definition to recast the self as an enterprise. Second, entrepreneurial discourse simultaneously removes political sovereignty from the discourse by denying the possibility of plurality of organizational rationales, and by redefining social diversity as a problem of access to the pursuit of market goals rather than a matter of political domination and segregation. Third, entrepreneurship seeks to eliminate history by casting past traditions as risks to profitability and by compressing the present and the future into an eternal 'now' which requires entrepreneurial adaptability if social subjects are to survive. Finally, entrepreneurship is a technology of social positioning through codification of social subjects according to their entrepreneurial tendencies and circulating them to the centres or margins accordingly. By itself, however, entrepreneurship is not an adequate definition of the social subject; it leaves certain questions unanswered. Most importantly, how do entrepreneurs adapt to changing circumstances and by what methods can their interests be aligned with those of the corporation? Answering these questions involves the elaboration of the notion of 'learning', the second half of social subjectivity in the flexible corporation and the flexible society.

VIII. Organizing the Subject: The Learning Process

To the extent that critical social science has addressed the issues raised by the textual production of business intellectuals, they have tended to limit their analyses to the question of *enterprise* within the discourse (du Gay and Salaman, 1992; Newman, 1991; Willmott, 1993). This limitation is imposed, at least in part, by the fact that most writers dealing with the issue are British social scientists, writing within a growing tradition of academic literature which examines the social impacts of Thatcherism with its emphasis on enterprise as a legitimization for dismantling the British welfare state (du Gay and Salaman, 1991). The concerns of business intellectuals, on the other hand, extend beyond enterprise, into the realm of *learning*, which addresses a number of problematics that flow from entrepreneurship. Together with entrepreneurship, learning forms a crucial element in the construction of subjectivity required by the flexible corporation.

Given the lack of social science analysis of 'learning' in business discourse, I will ask some key questions of the literature to uncover the rationale, purpose, and effects of learning within business restructuring literature. Why is learning considered essential? What are its characteristics? What is the source of learning and how is it acquired as a skill and attribute? How does it relate to entrepreneurship and flexibility? How is the learning subject described in the literature? What is the role of management in the learning organization? What are the control effects of the discourse?

1. Why Must Employees Learn?

The need for learning follows logically from the problems of late capitalism as defined by business intellectuals. As an element of the individualization of social subjects, and the placing of organizational responsibility onto individual employees, it follows that part of the problem of productivity and competitiveness in the 1990s stems from the way individuals think:

Albert Einstein tells us, 'How we think determines what we measure.' It also determines how we organize and how we do business. Our thinking, our belief system, our *mindset* determines our priorities, our procedures, our processes, what we expect from people, and the way we deal with them. A distillation of our past thoughts, observations, and experience, our mindset serves as the foundation for the systems we build and perpetuate (Heil, Parker, and Tate, 1995: 54).

For Heil, Parker, and Tate, our models of thought are not derived from socially structured and reinforced knowledge systems, but from individual experience and habits. Therefore, they are changeable and *manageable* through scientific management processes.

In the flexible corporation and the flexible society, individuals are needed who know how to learn. This is a crisis in North America:

At a time when U.S. corporations have an unprecedented need for a well-trained work force capable of dealing with current technologies and with the study skills needed to quickly adapt to new ones, these companies find themselves faced with hiring new employees that, after twelve or more years of schooling, are still functionally illiterate or in other ways unprepared for corporate life (Davidow and Malone, 1992: 188).

In a curious case of blaming the victim, Davidow and Malone point out that people are losing their jobs to automation because they are incompetent, not because of the

opportunity automation affords corporations to reduce payrolls and avoid labour conflict. There is, however, a solution to this dilemma, if employees can be trained to adopt a new mental paradigm.

The individuals who make up the virtual corporation -- employees, contractors, even suppliers and customers -- more than anything else must be full-time learners. This doesn't mean 'trained.' Simple skill development is not enough for the continuous and radical changes of virtualized business. Any such skill could quickly be rendered obsolete or irrelevant. Rather, participants must learn how to learn. They must be equipped with the conceptual skills required to deal with perpetual change. And they must be armed with the technology needed to put this ability to work (Davidow and Malone, 1992: 195).

For these changes to occur, public education must be reworked to become a more flexible, adaptive system built on trust of the "front line" -- the teachers and principals who will use computers to assist them in responding to the individual needs of each student/customer (Davidow and Malone, 1992: 258).

For the foreseeable future, however, corporations must be responsible for teaching employees how to learn because of continuing cutbacks in state-funded educational institutions. How can corporations affect the necessary changes in the mindsets of employees to bring them up-to-date with the needs of the flexible corporation? What are the stated benefits of this paradigmatic shift and, from a critical perspective, what are the potential impacts of this discourse on employee subjectivity and power arrangements within the firm?

2. Why Must the Organization Learn?

To address these questions, I focus upon a particularly significant text, Peter Senge's *The Fifth Discipline: The Art & Practice of the Learning Organization* (1994, originally published 1990). Although Senge did not originate the idea of 'learning', this book is the most comprehensive and influential statement of what it means and how it applies to corporations.³⁸ *The Fifth Discipline* is, therefore, an exemplary text that has become a classic, highly-cited intertextual source within the genre.³⁹ Senge, the director of MIT's Organizational Learning Centre, and a practising consultant, is considered a 'guru' within the business restructuring genre (Walmsley, 1993: 40). His clients include Ford, Harley-Davidson, Federal Express, Intel, Herman Miller, AT&T, Shell Oil, and others.

Senge begins by reiterating the risks of the business environment in late capitalism:

Today, systems thinking is needed more than ever because we are becoming overwhelmed by complexity. Perhaps for the first time in history, humankind has the capacity to create far more information than anyone can absorb, to foster greater interdependency than anyone can manage, and to accelerate change far faster than anyone's ability to keep pace (Senge, 1994: 69).

To counter the risks of overwhelming complexity and accelerated change, new technologies of behaviour must be formulated to successfully discipline the employee and control the direction of change.

According to Senge, business is the proper site for shaping the future direction of change, both corporate and social:

Gradually, I came to realize why business is the locus of innovation in

an open society. Despite whatever hold past thinking may have on the business mind, business has a freedom to experiment missing in the public sector and often, in nonprofit organizations. It also has a clear 'bottom line,' so that experiments can be evaluated, at least in principle, by objective criteria (Senge, 1994: 15).

From the management perspective, this is not a unique claim. Within modernity, the role of the corporation has always been, in part, to act as a disciplinary institution at the micro-level (Gordon, 1991: 26-27). Business organizations do not lie outside the sphere of public order, but, traditionally, maintain that order through the social technology of bureaucracy as an instrument for the production of regulated bodies.

What is the engine of corporate and social change? According to Senge, individuals induce organizational change by changing the way they *think* about work and the workplace.

The central message of *The Fifth Discipline* is more radical than 'radical organization redesign' -- namely that our organizations work the way they work, ultimately because of *how we think and how we interact....* This notion is pretty new for most of us. We have a deep tendency to see the changes we need to make as being in our outer world, not in our inner world. It is challenging to think that while we redesign the manifest structures of our organizations, we must also redesign the internal structures of our mental 'models' (Senge, 1994: xiv-xv).

Work becomes a creative, fulfilling, almost spiritual, undertaking if employees adopt mental processes and values that approach the work process in a creative and positive manner. It is not necessarily the external environment that makes work unfulfilling and oppressive, it is the employee's attitude. The first step in rectifying this condition is to redefine organizations and employees as active and entrepreneurial, rather than passive and reactive. It is here that entrepreneurship and learning

intersect. Entrepreneurship cannot be induced entirely by the dismantling of bureaucratic hierarchy; it also requires a shift in the definition of the situation, recasting corporations and people as active. Before employees can become active, however, the organization must become a learning organization, an environment where employees are taught to become learners.

'Learning' is a type of reflexivity involving the ability to constantly adapt to the changing circumstances of business by institutionalizing self-assessment of one's conceptualizations of reality. This is the necessary solution to the problems set by business intellectuals. In terms of employee management, it requires a complete transformation of the bases of organizational structure and control. Bureaucracy, defined as non-flexible, must be abolished and replaced by the decentralized 'learning' organization, split into semi-autonomous teams which compete with one another to create the most value for the corporation.⁴⁰

As a basis of organization, learning goes further than simply defining the nature of the post-industrial employee; it becomes an element of the new ideal of social organization in general. Senge argues "that the entire global business community is learning to learn together, becoming a learning community" (Senge, 1994: 4). In fact, at a deeper level, all of society is participating in the movement toward learning as "part of the evolution of industrial society" (Senge, 1994: 5).

Collins and Porras also utilize the language of evolution to argue that corporations must evolve 'naturally' through the entrepreneurial efforts of individuals and teams, rather than through preplanned, strategic change formulated by upper

management. Their example is American Express's freight business, which survived the "nationalization" of freight transport when the U.S. Post Office was given a monopoly earlier in this century.

Most freight companies disappeared as the government snatched away their core business. But for American Express, its experiments in financial and travel services ... proved to be favorable -- albeit unplanned -- *variations* that were better suited to the changed environment than its traditional freight business. These variations were then *selected* as the path to evolve beyond its traditional -- and now obsolete -- line of business and on which to base its future prosperity (Collins and Porras, 1994: 146).

To survive in the unpredictable environment of the 1990s, corporations must be prepared to experiment rather than plan. The traumatic corporate experiences of the 1970s and 1980s have convinced corporate executives that planning does not work.

Despite the evocation of naturalness through use of Darwinian language, the kind of change reproduced in business texts is in keeping with a larger cultural phenomenon identified by Watkins (1993) as "technoideology". Unlike social Darwinism, the earlier master narrative defining social positioning in terms of static norms from nature, the new field of reference is technology. Unlike nature, technology as a field of reference implies continual and unpredictable change, and technoideology is a knowledge form which embraces constant change. Social disaster no longer implies extinction, but obsolescence. Rather than preserving existing social positionings and resisting social change, this cultural narrative *capitalizes* change, identifying as the cultural ideal the person who is "everywhere engaged in the innovative capitalization of new possibilities" (Watkins, 1993: 4).⁴¹

Business literature such as *The Fifth Discipline* both contributes to, and

embodies, this cultural construction. Within this writing, the source of the learning society is the corporation, where the employee capitalizes upon changing circumstances by recognizing new opportunities for the corporate profitability. He or she is changing his or her orientation toward work from 'instrumental' to 'sacred', seeking the intrinsic benefits of work. The positive results of corporate transformation need not stop with the employee, however. Corporations as a whole can seize opportunities in a positive manner:

Why can't we do good works at work?... Business is the only institution that has a chance, as far as I can see, to fundamentally improve the injustice that exists in the world. But first, we will have to move through the barriers that are keeping us from being truly vision-led and capable of learning (Senge, 1994: 5).

What are these barriers? They are not the focused pursuit of profit, the history of corporate exploitation, nor employee alienation from the labour process, but rather, the inability of employees to properly think about how to solve business problems -- the inability to learn.

3. The Cybernetic Employee: An Operator's Manual

After outlining the basis for post-bureaucracy, Senge addresses three problematics that arise from the way in which he, and other business writers, have set the problem for business in late capitalism: first, how to construct the functioning of the individual post-bureaucratic employee; second, how to integrate the autonomous employee into the organizational framework; and third, how to ensure that employees operate on behalf of the corporation. In addressing the first problematic, Senge

outlines five "disciplines" which together lead to a new mode of employee functioning.

Personal mastery involves generating and maintaining "creative tension" in order to achieve the goals that an individual employee sets for him or herself. It involves empowerment by living one's life as a creative enterprise rather than from a reactive viewpoint. Senge links personal aspirations to economic success and argues that it is a discipline that applies to all domains of life.

Mental models are internal images of how the world works. Employees must learn to constantly question their world view, in terms of business process, and disregard outdated assumptions in favour of ones that may work better. Organizations need to systematize and institutionalize this internal reflection as a process of ongoing critique and revision of world view.

Shared vision builds upon personal mastery by combining personal visions into a powerful common vision of where the company should go. Visions announced from on high may invoke compliance but not commitment; for a learning organization to form, members must negotiate a shared conception of core organizational values and the reason for the organization's existence.

Team learning requires the development of a team synergy in which a commonality of direction emerges to harmonize individual energies. Through open dialogue, team members can eventually form a team mind capable of insights that are beyond the capacity of individuals.

Systems thinking is the fifth and overarching discipline, the necessity of which is a theme permeating the entire text. "Systems thinking is a discipline for seeing wholes" (Senge, 1994: 68). Basically, it is a synonym for cybernetics and *The Fifth Discipline* can be read as an instructional manual in cybernetics, dealing with topics such as: how to understand dynamic complexity in systems terms, how to recognize and manipulate different types of feedback, and how to identify and avoid short-term thinking that does not address systemic problems.

The five disciplines involve a change in thinking from "seeing parts to seeing wholes, from seeing people as helpless reactors to seeing them as active participants in shaping their reality, from reacting to the present to creating the future" (Senge, 1994: 69). From the perspective of discipline and risk, the control implications of

this description of employee mental functioning are clear. Personal mastery involves pursuing economic success as an indicator of individual success. It also acts as a quantitative measure of employee performance by which the employee, and management, can evaluate productivity. The ongoing self-critique that is a part of mental-modelling means constant flexibility in terms of business goals without any space reserved for the development of a core set of stable personal values about one's relationship to the workplace. Shared vision and team learning work together to remove the site of rationality to a team consensus-mind and a set of corporate rather than personal values. Systems thinking suggests a technology for grasping the complexity of risks and rapidly responding to contain them.

How will a systems model of the employee work in practice? Senge describes his conceptualization of systems theory in this way:

It is a set of general principles -- distilled over the course of the twentieth century, spanning fields as diverse as the physical and social sciences, engineering, and management. It is also a set of specific tools and techniques, originating in two threads: in 'feedback' concepts of cybernetics and in 'servo-mechanism' engineering theory dating back to the nineteenth century (Senge, 1994: 68).

His definition of systems thinking draws upon the biomechanical metaphors of certain social science and management theories as well as the concepts of cybernetics, both streams of influence directly drawing upon a technological analogy of social and organismic functioning.

Heil, Parker, and Tate echo Senge's evocation of a technoscientific rationale for organization: "[f]ortunately, we are not strangers to a methodology that can be effective in helping us deal with complexity -- the scientific method" (Heil, Parker,

and Tate, 1995: 46). Evoking John Dewey's adaptation of the scientific method to develop a learning model in school, they outline a procedure for business learning:

1. Establish the gap between present performance and the desired state.
2. Review all of the possible causes for the gap.
3. Analyze potential actions that may be used to address these causes.
4. Make a plan to effect the sought-for change (including how the effects of the plan will be measured).
5. Execute the plan (either in a test site or in the entire system).
6. Measure the results of the actions taken and analyze the data - then, return to the first step and start the planning process anew (Heil, Parker, and Tate, 1995: 46-47).

Gouillart and Kelly also suggest a methodology for acquiring and managing knowledge, including:

1. *A knowledge architecture* ... the conceptual framework for generating an ever growing body of systematic knowledge
2. *A knowledge management process* ... provides the formal methodology for collecting, integrating, and disseminating knowledge.
3. *A technical architecture* ... destined to become computer-based in virtually every organization, allows every individual to gain access to knowledge ... (Gouillart and Kelly, 1995: 302-3).

These passages indicate the technical rationality that underlies learning. Although the concept is evoked with language of entrepreneurial autonomy and spiritual self actualization, there is an underlying concern over developing a methodology to systematize the process and subordinate its power to a repeatable and generalizable cybernetic systems theory.

Defining systems thinking in this manner signals a shift in the dominant

metaphor of the employee. For at least a century, in a variety of discourses, the organizational employee was seen as a cog in an industrial machine (Seltzer, 1992). Even in certain business literature which drew upon an organismic analogy to define the organization, the functioning of the 'organism' was often described in mechanistic language.⁴² Wilbert E. Moore, in 1962, described organizations and employees in these terms:

Like the machine, the organization involves the assembly of finely tooled and highly specialized parts, and operates in terms of both reciprocal and sequential actions, with a temporal discipline and rhythm, and all sorts of opportunities for breakdowns. The machine-like character of corporate organization is enhanced by the importance of real machines. And real machines provide the proximate specifications of the kind of people who work with and for them and determine the rate and rhythm of action for production workers and also for all sorts of people at considerable geographical and social distance (Moore, 1962: 34-35).

Under current conditions of production, the analogy has progressed a step further. The post-bureaucratic employee is defined as a complete and autonomous cybernetic system, immersed in information technology, and capable of responding to market feedback independently of the organization. Thirty years after Moore's observations, Peters describes employees in this way:

The most fundamental building block of the new organization is the "businessperson," or "informed individual".... Emerging organizational forms will permit -- and the market will demand -- that each employee be...turned into a businessperson. Yes it means being empowered. It also means having all the organization's information at your fingertips -- make that everyone's fingertips. And much more (Peters, 1994: 227).

Not surprisingly, the metaphor of the employee is shifting at a time when corporations are responding to discourses of globalization, the fall of state

communism, and emerging virtual technologies, by decentralizing, delayering, and localizing decision-making. The response of business intellectuals has been to rationalize the inner self along predictable lines to limit the risk posed by employee autonomy by ensuring that the employee responds to feedback in accordance with organizational interests. As well, business intellectuals are concerned with the management of unpredictability within organizations.

Heil, Parker, and Tate argue that the Tayloristic machine metaphor was not wrong but only partial. It could not capture the unpredictable systemic effects of change because the organization was conceived as a set of discrete parts (1995: 26 7). 'Learning', through application of a scientific systems model, is an enhanced form of risk management which attempts to capture internal randomness produced by employee relationships to each other and the organization. It seeks to eliminate employee resistance to change by concentrating on relations rather than structure. Questions of structure are questions of strategy; questions of relations are matters of organization management. Therefore, having addressed the problem of how to reshape employee subjectivity to a more flexible configuration, a second problem arises for executives: how to integrate autonomous, cybernetic employees into the larger cybernetic gestalt of the organization and how to manage the resulting relations?

To address this issue, Senge begins with the rhetoric of self-fulfillment, quoting one executive who states: "Our traditional hierarchical organizations are not designed to provide for people's higher order needs, self-respect and self-

actualization" (Senge, 1994: 140). Management's main task is "providing the enabling conditions for people to lead the most enriching lives they can" (Senge, 1994: 140). By coming together within a corporation, employees can fulfill themselves. Despite the language of self-development however, Senge, and other business intellectuals, are masking the rationalization of the inner self that is the motivating force for, and outcome of, this discourse. The underlying problem these writers really address is maintenance of executive control in the decentralized organization.

Senge's strategy for harnessing the individual to the organization involves a focus on 'team learning', one of his five disciplines. In his view of organization, the centre of rationality lies not in the individual, nor in the organization, but in the work team. Gouillart and Kelly use the brain metaphor to describe this notion. Whereas scientists previously viewed the brain as a monolithic organ where "human attributes could be isolated in specific areas", scientists are now finding that the "essence of learning and intelligence appears to be in the movement across brain cells and through synapses of the electrochemical composites that somehow constitute thoughts and ideas. Creativity is therefore the process of connecting previously disjointed elements in new and useful ways" (Gouillart and Kelly, 1995: 297).⁴³

Just as the generation of rational thought lies in a decentralized brain, so too is organizational rationality produced in and by the team. This is somewhat of a departure from classical organization theory as exemplified by Chester Barnard (1938) and Weber (1947), both of whom characterized rationality as residing within the

organization as a whole. It is a necessary development in organization theory, however, as the 'rational' organizations of the past break down into sets of autonomous teams which act as small businesses in their own right.

Since teams are the site of rationality, they are also the primary site of organizational decision-making and, therefore, the central site of learning. Team learning is essential, while individual learning is of a lesser importance. Team learning is collective and proceeds through the processes of 'dialogue' and discussion; whereas discussion is simply an exchange of views, dialogue is something deeper. Dialogue is the core of team learning and Senge draws upon concepts from physics to describe it. Quoting physicist David Bohm, Senge defines dialogue as "a larger 'pool of common meaning,' which cannot be accessed individually. 'The whole organizes the parts,' rather than trying to pull the parts into the whole" (Senge, 1994: 240-41). He goes on to argue:

In dialogue, individuals gain insights that simply could not be achieved individually. 'A new kind of mind comes into being which is based on the development of a common meaning.... The purpose of dialogue ... is to reveal the incoherence in our thought.... Thought denies that it is participative'.... Dialogue is a way of helping people to 'see the representative and participatory nature of thought'... (Senge, 1994: 241-42).

From Senge and Bohm's perspective, individual thought is incoherent. Rational thought emerges within groups through the achievement of common meanings. What is the nature of this rational thought? "Just as the resistance in an electrical current causes the flow of current to generate heat (wasted energy), so does the normal functioning of a group dissipate energy. In dialogue there is 'cool energy,

like a superconductor'" (Senge, 1994: 243). It is a technical rationality -- a unified process free of positive feedback in the form of human 'wasted energy' that results from resistance and discord.

Organizational thought exists within the flow of dialogue among team members. Dialogue, however, is not to be a freewheeling process. Senge quotes an executive: "In the learning organization, the new 'dogma' will be vision, values, and mental models. The healthy corporations will be ones which can systematize ways to bring people together to develop the best possible models for facing any situation at hand" (Senge, 1994: 181). The process of dialogue and the production of mental models within teams is to be systematized to ensure its predictability and manageability. In this way thought patterns of the organizational subject can be programmed through team interaction. Programming the team mind involves "institutionalizing reflection" and "surfacing mental models" -- a process of ongoing critique of the self and systematizing the critique to generate team mental models and to constantly question them to see if they are effective (Senge, 1994: 187).

Heil, Parker, and Tate go a step further and set out a nine-step process by which corporate teams can generate, evaluate, change, and ultimately accept a codified 'shared visions and values statement'. They note, approvingly,

In some organizations, values are now communicated to each employee, who must choose to sign up -- that is, agree to live these values. Many of the sets of values we've seen lately are more specific than the more generic types of value statements that were common just several years ago (Heil, Parker, and Tate, 1995: 76).

Shared visions lead to shared mental models, which are essential for systems

thinking in business, but the models are always incomplete because they "miss critical feedback relationships" (Senge, 1994: 203). Despite the adoption of systems thinking by cybernetic employees, they cannot foresee the full long-term impacts of decisions based on their collective mental models. Consequently, "what will accelerate mental models as a practical management discipline will be a *library of 'generic structures'* used throughout an organization" (Senge, 1994: 204). Mental models can be quantified and stored for future use in programming team thinking if current quantitative indicators in the market environment resemble similar circumstances encountered by other teams in the past.

Autonomous employees are directed by mental models generated through team interaction. However, this leads to a problem for executives: how to ensure that the models of reality, generated in work teams, will be of benefit to the corporation. At this point, a contradiction in Senge's work becomes apparent, one common to this literature. His discursive construction of the ideal learning organization logically implies the absence of centralized leadership, but he, like other consultants, is unwilling to go that far. Although teams are ideally egalitarian and autonomous from central executives, the question arises of who systematizes team learning and programs mental models? Senge does not elide executives from his model of the organization, but recommends a changed role. Central managers are to become counsellors, advisors, and teachers, rather than controllers who set the direction and make key decisions.

To accomplish this, a particular organizational innovation is necessary,

modelled after Shell corporation. In this system, 'internal boards of directors', each of which consists of two to four senior managers, advise local general managers and team leaders. The senior managers bring "outside perspective and breadth of view" to local teams (Senge, 1994: 188). Shell has a set of written guidelines for these senior managers to ensure that they do not impose their own mental models on local teams. Senge's perspective on the learning organization does not allow for political considerations to enter into relationships between executives and local teams, both of whom operate on the basis of technocratic consciousness. Neither does he recognize the potential this system contains for undermining the premise of employee autonomy, the premise that local teams can be trusted to assess local conditions and make rational decisions on behalf of the organization.

Executives are to be advisors and teachers, but Senge goes on to point out that leaders are responsible for 'designing' organization policies, strategies and systems, as well as defining a "purpose story" that places the organization's work within a larger social context. Heil, Parker, and Tate assert that "[t]he essential humanness of the organization requires a sense of direction, guidelines that can provide a framework for social order and a sense of reality" (Heil, Parker, and Tate, 1995: 63). This framework, as Collins and Porras point out, is provided by executives who establish a "core ideology" to guide employee and corporate functioning and change:

Like the genetic code in the natural world, which remains fixed while species vary and evolve, core ideology in a visionary company remains unchanged throughout all its mutations. Indeed, it is the very presence of these fixed, guiding ideals that gives a visionary company something extra that evolving species in the natural world can never have: a purpose and a spirit (Collins and Porras, 1994: 168).

Leaders must teach employees about the purpose and the systemic forces involved in the changing market and organizational environments. This appears to leave considerable scope for central management to at least indirectly shape the direction of team effort and to program teams with certain mental models. Despite rhetoric of democratization and self-fulfillment through personal initiative, central leaders continue to haunt the background of Senge's work and that of other writers. Ultimately, the executive continues to define the visions to be shared by cybernetic employees, in this way ensuring that teams are integrated into the larger organizational structure.

Sociological research can be employed at this point, suggesting a counter knowledge to the rhetoric of autonomy produced by business intellectuals. Perin (1991), for example, examines the potential for telework, a work process that was proposed at least as far back as the 1970s (Toffler, 1980) and is still described as an ideal of employee autonomy in the 1990s (Pruitt and Barrett, 1992). Perin's research suggests that telework has never caught on in North America because of the threat it poses to management authority and control. Management conceptions of time and space construct the physical setting of the office as sustaining a moral power over employees; the farther they are from it, the less control that moral power exerts. Remoteness connotes authority, prestige, and high status in the culture of the workplace.

Du Gay and Salaman (1992) argue that two of the key programs associated with organizational flexibility strategies, total quality management (TQM) and just in

time (JIT) delivery systems, operate to control employee behaviour by making employees become customers of each other. This imposes a discipline on employees to perform according to the expectations of customers (which also happen to be the expectations of executives) rather than to a negotiated pace of work. Research such as that of Perin and Du Gay and Salaman suggests that the claims of business writers such as Senge are open to question. The material control of risk, especially that associated with direct control of employees by managers, does not disappear simply because employees must now work more autonomously.

4. The Spiritual Employee

Cyberneticizing the employee is only the first of two contradictory movements within the learning discourse in business restructuring literature. The second involves defining the employee as spiritual, searching for enlightenment and self-fulfillment beyond the material realm. Whereas the discourse of cybernetics ideally structures the thought patterns of organizational subjects, spiritualizing the employee has as its primary effects the formation of a type of community, the internalization of the disciplinary gaze, and the production of self-policing subjects. To this end, the discourse of spirituality has three elements: creation of an organizational lifeworld, elision of internal politics, and establishment of a confessional.

a. Creating the Organizational Lifeworld

Senge and other writers of the 1990s are not unique in wishing to convert the

systems world of the formal organization into a lifeworld of total employee involvement. As I discussed in chapter 5, this was also the goal of many corporate culture programs of the 1980s. In the past, however, there was not the same kind of overt appeal to spiritualism, nor as concerted an effort to devise a new spiritual philosophy grounded in economic materialism. Senge specifically invokes Gnosticism, Sufism, and Native American spiritualism as providing concepts appropriate for guiding employee behaviour, asserting that: "... given a choice, most people opt for pursuing a lofty goal, not only in times of crisis but at all times. What has been lacking is a discipline for translating individual vision into shared vision not a 'cookbook' but a set of principles and guiding practices" (Senge, 1994: 9).

The language of mechanical solidarity is quite evident in Senge's conception of spirituality; for him, all members of an organization must share the same values and the same world view. Some writers are less optimistic than Senge about the possibility of converting everyone to shared visions. Heil, Parker, and Tate suggest that there is a need to weed people out if they "...cannot or will not *commit* to (i.e., not merely comply with) the shared vision of the critical mass of the company" (Heil, Parker, and Tate, 1995: 69). This is a matter of choice on the part of the individual employee who will be provided with the opportunity to commit, but if "... they choose to play softball when the name of the game is hardball, shouldn't they be relegated to a different diamond?" (Heil, Parker, and Tate, 1995: 69).

Heil, Parker, and Tate proceed to argue that the reason for lack of trust and community in many organizations is the gap between the stated values of the

organization and the actual practices of the organizational management (Heil, Parker, and Tate, 1995: 70-71). How can corporations ensure that this gap is closed? A number of factors are involved in creating a mechanical solidarity within the corporation. First, as previously discussed, the team is the source of learning and rationality in the organization, but is also the source of spirituality through a process which Senge labels 'metanoia' -- a Greek word meaning 'transcendence' (Senge, 1994: 13). This is the experience of being part of a team, something larger than the self, intimately connected to a team spirit that has great generative capacity. In other words, being part of a learning organization.

Second, executives must humanize organizations to better suit human inner needs and recreate the perceived utopic nature of pre-industrial communities. Only by providing people with an environment in which they can lead "enriching lives" will employees be able to attain personal mastery and the ability to learn:

Our traditional hierarchical organizations are not designed to provide for people's inner order needs, self-respect and self-actualization. The ferment in management will continue until organizations begin to address these needs, for all employees (Senge, 1994: 140).

Gouillart and Kelly call for a "psychological contract" between a corporation and its employees:

The dominant psychological contract was once the paternal, 'Give us a dedicated 40-hour week year after year, and we will give you the security of lifetime employment and a comfortable retirement.' It then evolved to the raw 'People are like physical assets, to be used and disposed of as the company sees fit.' Today, a more human psychological contract is emerging in successful firms: 'You are an individual, responsible for your own life. Give us your dedication to growing and bettering the company, and we'll enhance your opportunity to grow and better yourself' (Gouillart and Kelly, 1995:

243).

Attempts to capture people's desires for self-fulfillment have been a part of the business restructuring genre since the beginning of the 1980s when early writers such as Ouchi (1982) and Maccoby (1983) defined American society as in a state of social and moral collapse. Maccoby argued that the result was a generation in search of an identity, which their broken families and communities could no longer provide. This new social character could be harnessed to corporate ends by reorganizing the work process to ensure that employees view work as the means to personal growth and self identity. The undertone of cynicism present in Maccoby's work enters into Senge's text as well, when the latter, addressing executives, justifies his 'soft' approach to management by pointing out how certain humanized corporations have boosted their profits over the past few years (Senge, 1994: 140).

What is the mechanism by which employees can achieve higher order needs?

One executive argues:

In the type of organization we seek to build, the fullest development of people is on an equal plane with financial success. This goes along with our most basic premise: that practising the virtues of life and business success are not only compatible but enrich one another (Senge, 1994: 144).

Linking inner development and financial success within the organizational context is the key to producing the organizational lifeworld. It constructs a quantitative measure of personal success, links it to corporate success, and characterizes it as a type of reward that the employee receives by working in a committed fashion within the corporation.

In a more concrete manner, the relationship between personal fulfillment and organizational success can be cemented through a relationship based, not on employment contracts, but on 'covenants'. Contracts belong to the machine-like world of bureaucracy and are purely instrumental -- an honest day's pay for an honest day's work. Covenants, on the other hand, form a more "complete relationship" based on a "shared commitment to ideas, to issues, to values, to goals, and to management processes" (Senge, 1994: 145). They are "expressions of the sacred nature of relationships" and commit employees and executives to a shared vision of organizational processes (Senge, 1994: 145). Covenants involve emotion and values that are missing from contract relationships.

In addition to spiritualism and covenants, a third element in constituting the organization as a lifeworld involves the production of thoroughly indoctrinated employees capable of operating according to 'organizational need' as programmed by executives. Shared vision is Senge's method for creating this unity of thought and action; however, the shared vision in *The Fifth Discipline* is problematic because it cannot be easily established through material action. Rather, it is described in idealistic terms: "A shared vision... uplifts people's aspirations. Work becomes part of pursuing a larger purpose embodied in the organization's products or services" (Senge, 1994: 207-208).

Shared vision creates a sense of commonality of purpose: "[w]hen people truly share a vision they are connected, bound together by a common aspiration" (Senge, 1994: 206). More importantly, shared vision is implicated in a common

identity based upon the organization's identity: "... if you divide a hologram, each part shows the whole image intact. Similarly, as you continue to divide up the hologram, no matter how small the divisions, each piece still shows the whole image" (Senge, 1994: 212). Like a fragment of a hologram, the individual employee becomes a small version of the organization, having internalized organizational systems thinking and organizational aspirations.⁴⁴

The Silicon Valley microchip industry is often cited as an example of the type of total institution described by Senge. Employees not only work together but also live as neighbours in communities surrounding the workplace. Sociological research intervenes once again to suggest alternate interpretations. Hayes (1990), for example, finds that despite the promises of a postindustrial utopia through involvement in the entrepreneurial workplaces of Silicon Valley, the social relations of the communities surrounding the workplaces are characterized by extreme alienation and anomie. The individualization involved in the work process extends to communal relations, leading to lonely lives characterized by widespread substance abuse and the highest divorce rate in the United States. Kunda (1989), in his study of the same industries, finds cognitive dissonance within employees as they attempt to reconcile personal values with clashing corporate values.

Once again, a primary contradiction in *The Fifth Discipline* is the role of leaders in the organizational lifeworld. Senge downplays the involvement of leaders in defining the visions and values to be shared, but must continually resort to leadership because of the immaterial and vague nature of building true organizational

consensus from the bottom up. Senge and other management writers are uncomfortable with such indeterminacy and with the idea of a grass roots formal organization. In the end, he must locate an identifiable source who defines what is to be shared. The leader is a "steward" and "designer", establishing the context for learning as well as the content in the form of values and goals to which employees are expected to aspire. This is a more subtle kind of leadership but it has control implications nonetheless.

b. The End of Internal Politics

The shared vision and the pursuit of higher aspirations that are a part of the organizational subject of the 1990s also have the effect of eliminating politics from the organizational realm. This is the second element of Senge's discourse of spiritualism. What happens to employees who persist in holding their own visions and goals for their own ends? Senge's construction of spirituality does not allow for this possibility; the discipline of shared vision will lead to the end of conflict: "The combination of mission, vision, and values creates the common identity that can connect thousands of people within a large organization. One of the chief tasks of leaders, at both the corporate and local level, is fostering this common identity" (Senge, 1994: 293).

From this perspective, shared vision will naturally bring about the disappearance of politics because an individual's motivation for work shifts from self-interest to a broader commitment and concern over the mutual goals and values of the

team and the organization. Senge defines organizational politics as an evil motivated by authoritarian bureaucratic organization. When bureaucracy disappears, politics disappear. When there is no more power hierarchy, common interests and values will surface and self-interest will vanish (Senge, 1994: 274). As mentioned previously, however, business writers are not quite willing to leave it all to chance. Hiring and screening practices must be designed to remove individuals who are unwilling to 'play ball'. These practices must necessarily be designed to test for obedience and homogeneity in terms of world view.

Senge again reveals the functionalist underpinnings of his approach as he equates conflict with differentiation and complex organization. He assumes that when an overt hierarchy disappears, alienation and conflicting interests will disappear and the common sense of personally sharing organizational goals will be self-evident. Like most management writers, Senge assumes that organizational members are, in their natural state, an undifferentiated community of interest. There is no concept of organizational conflict as a product of broader social conflicts produced by cultural and material inequalities, alienation, or the effort bargain in the workplace; the source of conflict lies in individuals or individual organizations.

As Stanley Deetz points out: "... the subject and the subject's world are an arbitrary production carefully ... integrated to appear necessary and unproblematic" (Deetz, 1992: 35). The 'common sense' of a particular institutional form is produced through the everyday institutional activities of the organization as well as by the dominant discourses that define subjectivity in certain ways. In this manner, choices

made by corporate management are hidden and their definitions of reality appear non-political, even to themselves. Senge's five disciplines, as representative of business constructions of the employee, have governmental effect within the corporation but mask their political bases in a rhetoric of unproblematic common sense. This disciplinary discourse is not necessarily a conscious executive attempt to enhance control but instead follows from the 'common sense' of larger cultural processes of rationalization, discipline, and risk avoidance that characterize Western state governmentality.

Other advocates of 'post-bureaucracy' make similar claims about the end of politics. Heckscher (1994), for example, critiques bureaucracy and calls for a new ideal type:

The master concept is *an organization in which everyone takes responsibility for the success of the whole*. If that happens, then the basic notion of regulating relations among people by separating them into specific, predefined functions must be abandoned. The problem is to create a system in which people can enter into relations that are determined by problems rather than predetermined by the structure. Thus, organization control must center not on the management of tasks but the management of relationships; in effect, 'politics' must be brought into the open (Heckscher, 1994: 24).

Bringing politics into the open allows for its management, or rather, management of relationships that are involved in politics. Heckscher proceeds to call for the management of these relationships through the use of "dialogue", "mission statements", and statements of "principles" which act to guide employee behaviour along prescribed paths. In this way, the politics caused by specialization within bureaucracies can be avoided (Heckscher, 1994: 25-26).

There is social scientific evidence that conflict within post-bureaucratic organizations *is* reduced. Knights and Sturdy (1990) find that information technology is involved in enhancing both compliance and alienation among clerical workers. Gabriel (1995) examines the role of corporate narratives in inducing compliance among employees. Brown (1994) examines management's manipulation of symbols within an organization to legitimate work projects. Besser (1995) studies how Japanese managers use rewards to gain employee compliance in a Kentucky Toyota plant. These studies and many others demonstrate the increasing subtlety of executive control strategies in the era of autonomous work teams. Control is based around the manipulation of symbols and meanings rather than panoptic surveillance and direct supervision. People comply and increase their productivity out of a need to perform up to increasingly demanding standards set by managers and classified as elements of corporate culture. The effect is an enhancement of discipline. As Foucault states:

Discipline produces subjected and practiced bodies, 'docile' bodies. Discipline increases the forces of the body (in economic terms of utility) and diminishes these same forces (in political terms of obedience). In short, it dissociates power from the body; on the one hand, it turns it into an 'aptitude', a 'capacity' which it seeks to increase; on the other hand, it reverses the course of energy, the power that might result from it, and turns it into a relation of strict subjection (Foucault, 1979: 138).

Disciplinary discourses in the post-bureaucratic organization minimize political productivity (in the form of resistance) and maximize economic productivity. However, the above-cited studies only evidence *compliance*, not conversion. Whereas employees may accept the work discipline of the post-bureaucratic corporation, they do not necessarily accept the symbols and rhetoric within which it is clothed. This

situation is likely confounding for business intellectuals who continue to grapple with the problem of employee commitment. From their comments, they appear to believe, as a group, that employees should logically want to internalize corporate values. The only reason they would be cynical is because senior corporate management is not living up to the values it has set. Consequently, business intellectuals continue to try to theorize employee alienation in terms of executive behaviour and continue to admonish executives for being untrue to corporate values. Business writers do not recognize other sources of alienation from larger social issues of wealth and power distribution within society and the deeper infrastructural arrangements of capitalist enterprise, which remain unchanged even during the current business 'revolution'.

c. The Organization as Confessional

Shared vision is to replace politics within the learning organization. How will such an organization operate? This question leads to the third element of the spiritual organization -- the organization as confessional. Foucault argues that in the cultural shift from pre-modern to modern society in the West, forms of group identity were replaced by a form of identity premised upon the ability of the individual to reflect upon and describe inner experience (Foucault, 1990: 60-61). New business discourses are an enhancement of that process. In *The Fifth Discipline*, the confessional is accomplished through team learning and shared vision. Whereas creation of a lifeworld and the disappearance of internal politics operate to conflate employee life aspirations and practices with organizational goals, confession acts to

internalize the disciplinary gaze, an essential practice if organizations are to be decentralized but controlled.

Two particular practices are involved in the confessional of the learning organization. The first is dialogue, discussed previously in connection with the formation of a rational team mind. Dialogue works through "the free and creative exploration of complex and subtle issues, a deep 'listening' to one another and suspending of one's own views" (Senge, 1994: 237). Within learning teams, people are encouraged to suspend their assumptions but at the same time, to communicate freely. "The result is a free exploration that brings to the surface the full depth of people's experience and thought, and yet can move beyond their individual views" (Senge, 1994: 241).

To be effective, dialogue requires a second practice, 'openness'. Openness is: "a characteristic of relationships, not of individuals.... [It] emerges when two or more individuals become willing to suspend their certainty in each other's presence. They become willing to share their thinking and susceptible to having their thinking influenced by one another" (Senge, 1994: 284). Employees are to be encouraged to share their "feelings and views", not only on organizational matters but also family and other matters, if they affect work. These feelings and views can be harnessed to organizational concerns through a program of "institutionalizing reflection" and "surfacing mental models" to ensure that the inner self can be scrutinized and disciplined by external forces.

From a critical perspective, the confessional nature of these practices seems in

keeping with Heckscher's call for bringing politics into the open. Perhaps more importantly, this is a form of *self-discipline* -- a self-assessment by the employee on behalf of the organization. The effect is to enforce social norms for fear that one's belief structure or lifestyle practices will be rejected or that someone will detect doubt or disloyalty to the organization. Employee contributions to the formation of organizational programs become a form of confessional as the inner and personal is 'surfaced' for public scrutiny. Not only is one's work appraised in the organizational lifeworld, but also one's hopes, dreams, and personal commitments (Deetz, 1992: 41). These are disciplined and directed toward a corporate realism, a need for corporate authority to 'tell it like it is' instead of how people might want it to be. It elides the personal, rather than promoting it. It assumes that management *reality* is preferable to employee *ideals*. It thoroughly rationalizes people's relations with work and restricts 'reality' to questions of enhancing productivity.

Self-surveillance promotes self-manipulation to ensure that one's inner self follows the 'spiritual' paths prescribed by executive goals. The employee internalizes the 'spirit of capitalism' as a spiritual value, much as Weber noted in his discussion of the link between the protestant ethic and capitalist enterprise in early modern Europe. In a sense, management discourses of the 1990s involve an attempt to reunite capitalist means with spiritual ends as a method of disciplining the inner self of the employee.

The form of spirituality constructed through the discourse is not religious in the sense of finding its source in a deity. Rather, it is a form of secular sacredness in

the Durkheimian sense. The ultimate object of worship is not a god but the organization itself, characterized as a mechanical solidarity where cybernetic employees share the same thought processes and practices, each carrying the organization within him or herself as a set of internalized market values. In the post-bureaucratic organization, disciplining the employee takes the form of an appeal to higher aspirations, but the inner functioning of the employee is premised upon pure rationalism -- the rationalism of the cybernetic machine into which spirituality can be programmed.

5. Summary

Business discourses of the 1990s are shifting toward a new paradigm of organization premised around the problem of flexibility. In terms of redefining the employee to fit into the flexible organization and the flexible society, business intellectuals are faced with the problem of how to constitute employee subjectivity in such a way that the subject can be simultaneously entrepreneurial, and controlled by the needs of the organization. Peter Senge, as an example, attempts to bridge this contradiction by defining the employee as a cybernetic mechanism capable of independent action and constant adaptation while remaining open to executive programming. Certain 'spiritual' values constitute the content of the programs: a desire for transcendence premised upon a conflation of financial gain and personal fulfillment; covenants which commit employees to the *values* of the organization; team interaction which leads to thorough socialization into team visions; the end of

organizational politics as employees succumb to executive-prescribed practices; and interaction which encourages confession of inner thoughts.

Current business restructuring texts appear to promise a freedom of thought and action unparalleled in the history of capitalist enterprise. Unfortunately, upon closer examination, that promise cannot be sustained. Within the decentralized and competitive organizational setting, employee autonomy becomes a risk to executive interests. Executives need to ensure that employees continue to act to the benefit of upper management. Also, the nature of employment is generally shifting toward service and knowledge work which requires not only the capacity to discipline people's bodies, but also their inner selves. The solution is to shift the process of rationalization from the overt threat posed by a management hierarchy to organizational processes which cause employees to police themselves. Paradoxically, the workplace appears more democratic and less rationalized even as employees internalize management prescribed values, knowledge, and systems of thought.

IX. Representing the Organization:

The Technology of Decentralizing

In chapters 6, 7 and 8, I discussed how corporations have acted as one of the sites of application for a discursive formation of governance that can be found in a number of institutional sites. I have named this discursive formation *flexibility*, which is a code for a complex set of discourses directed at the regulation of social subjects, and institutions of all kinds. In chapters 7 and 8 in particular, I discussed the two primary discourses involved in defining organizational subjectivity within the texts of a set of business intellectuals, who occupy a privileged position for the production and dissemination of social knowledge systems. In this chapter, I explore how these same experts discursively construct the 'organization' of work in a manner that is consistent with the concerns of discipline and governance evidenced in their characterizations of the economic environment and the organizational subject. This is accomplished by representing organization based upon the model of information technology. This has the effect not only of increasing the abstraction of the content of work but also of allowing decentralization of its form. In translating the informationalized representation into practice, control manifests in the form of a set of technologies of governance that restrict the agency of organizational subjects and teams.

1. Governmental Rationality: A Framework for Analysis

Before an organization can be managed, its boundaries must be delimited through discursive mechanisms that represent the domain of organization as an intelligible field whose elements are linked in a systematic manner. To manage an organization, one must conceptualize a set of processes and relations as an organization open to management, thereby constituting new sectors of organizational reality by redistributing objects and problems within a governmental field. The first step in constructing the governmental field of the flexible corporation, is to define a set of ethical conditions that make it possible for business intellectuals to consider it legitimate, feasible, and necessary to conduct interventions in the field. The conditions of the chaotic marketplace, the entrepreneurial customer, and global competition, as discussed in chapter 6, create the conditions that both allow and establish a certain regime of governance within corporations. These environmental discourses establish an ethical condition within which the governmental discourses of entrepreneurship, self-fulfillment, democratization, and marketization can be institutionalized as representations of 'proper' organization.

These discourses flow from the general governmental process of evaluation -- the process by which managers make judgements about the success or failure of organizational experiments, the conclusions they draw as a result, the solutions they propose, and the impetus toward new programs provided by analysis of failures. Evaluation is integral to the character of governmentality, not only through its problem solving orientation but also in its perpetual optimism that corporations can

always be administered in a better way. The 'failure' of one form of organization is always linked to attempts to devise programs that would work better in terms of profitability and productivity. During the 1980s and 1990s, business intellectuals have been occupied, quite profitably, with the task of evaluating the failure of bureaucracy and formulating a superior form of organization that will adequately meet demands placed upon corporations in the new economic environment.

The evaluation of organizational form, and its restructuring around a set of ethical discourses, constitute a set of political rationalities that act to convert 'reality' into a discursive construct. Organizational governance involves the opposite movement as well: once the reality of organization has been cast into a particular representation through the process of evaluation, *technologies of government* seek to translate the representation back into reality by establishing spaces and devices for acting upon the entities defined as part of the governmental field. Technologies of government are the actual mechanisms through which authorities seek to shape, normalize, and instrumentalize the conduct, thought, decisions, and aspirations of others to achieve the objectives set out as necessary and desirable by political rationalities (Miller and Rose, 1993: 82). They are the 'techniques' of power.

Flexible organization is a representation, a product of discourse which acts to order, list, arrange, space, and define edges and margins. Foucault (1979) locates an origin point for this type of representation in his discussion of Jeremy Bentham's writings on institutional order in the late eighteenth century. Bentham established, within his texts, methodologies for spatial and temporal separation of people through

use of prison cells, separated workbenches, discrete school desks, and so on, while developing written methods for describing organization -- statistics, tables, inventories. In this manner, large numbers of people could be reduced to the space of a ledger book and management became a matter of managing the tables within the book, the informational content of the organization, rather than the material structures and processes of organization. Disciplining people through spatial organization, as described by Bentham, ideally demassifies, depoliticizes, and disempowers them. They are rendered less of a risk to authority and control, allowing managers to focus on managing the representation rather than the people.

Within the decentralized, flexible corporation of the 1990s, information technology contributes to the particular representation of flexibility by defining the organization as an information processing machine, objectifying corporate systems and processes through a common language of codes, and coding employees in terms of their entrepreneurial and teamwork capacities.⁴⁵ This is the post-industrial equivalent of Bentham's ledgers, an electronic text that becomes the object of management. In this situation, there is a twofold problem: how to represent the flexible organization as a manageable entity and how to order the space of the corporation to depoliticize employees and harness their productive capacities in a manner that requires minimal management intervention. The answer provided by business intellectuals involves translating organizational 'reality' into a discursive representation based upon information technology, and use of the 'team' concept as a technology of governance to translate the representation into a particular spatial configuration.

2. Technology: Constructing a New Organizational Representation

At one level, business restructuring literature is rather quiet about the role of information technology in the flexible corporation, typically segregating it off in a separate chapter and not referencing it in detail in other chapters. At another level, the entire genre is about information technology and it is the most vital topic in each text. It is implicitly the key element to understanding the discourse of decentralizing, not simply because of its technical capacities but because of its discursive capacities and the rationales it provides to management for reconceptualizing organization. Technology allows the formation of a particular grid for ordering the meanings involved in the discursive formation of flexibility, or, to put it in other terms, it provides a basis for a particular *representation* of the flexible organization that allows for its manageability.

There is an overriding assumption within business restructuring literature that acts to obfuscate the representational nature of information technology. This is the assumption that the technology exists primarily to enhance productivity. There is, however, little evidence that information technology by itself has had a substantial impact on corporate productivity, certainly not to the levels expected by experts in the 1970s and 1980s. Davidow and Malone quote one expert who comments: "It simply isn't good enough to spend money on new technology and then use it in old ways. I suspect that for every company using computers right, there is one using it wrong and the two negate each other" (Davidow and Malone, 1992: 66). Apparently, half of all corporations are using computers incorrectly, i.e. they have not expanded productivity

as a result of computerization. As I mentioned in chapter 4, however, researchers in the 1990s have found that corporate productivity is increasing but not simply through computer technology. Rather, it is a result of a combination of new technology and reengineering -- the 'right' combination of technological functioning and ordering the personnel and processes of the corporation.⁴⁶

As Zuboff (1988) correctly points out, however, information technology has two other primary functions besides productivity enhancement: it textualizes organizational processes and then organizes the text, representing it as something that can be managed and controlled. This, I argue, is the key to understanding the role of computer technology in the flexible corporation. It enhances the informational content and flow of the organization and it allows for a specific reconceptualization of the organization. Viewed in this way, information technology was not improperly used in the 1970s and 1980s but rather, set the infrastructural and discursive preconditions for reengineering in the 1990s.⁴⁷

The representational nature of information technology is reflected in business restructuring literature through descriptions such as this:

Here at the end of the twentieth century, four decades into the computer age, it is increasingly obvious that the very nature of business itself is information. Many of the employees in any corporation are involved in the process of gathering, generating, or transforming information (Davidow and Malone, 1992: 65).

For Davidow and Malone, as well as many other business intellectuals (and social scientists),⁴⁸ the corporation is a set of information systems with stored product designs and information technology to produce new designs on demand. All of this is

linked to automated, flexible manufacturing technology. Senge (1994) adds the notion of creating a stored library of team strategies for dealing with changing customer demand; managers can consult the library and program teams with the most appropriate type of strategy for the situation. Organizations, then, are large, cybernetic, learning machines processing information and people to ensure that shifting market patterns are perceived, processed and acted upon in ever faster cycles of response.

In this view, technology becomes something more than a means of automating work. Automation involves translating human skills into a computer program to mechanically reproduce those skills and gain constant precision and uniformity in production. Routine tasks are performed automatically with a minimum of human input. In its automating capabilities, computer technology is similar to the earlier machine technology in that it is designed to reproduce, extend, and improve upon the process of substituting machines for human effort. It differs in that it is a substitute for certain human mental processes -- calculating, analyzing, synthesizing.

Computers also operate to generate new information on the underlying productive and administrative processes through which an organization accomplishes its work (Zuboff, 1988: 9). This is the 'informating' characteristic of the technology. It creates an electronic information environment which can be accessed to learn what is happening in the corporation. For the first time in the history of corporations, the work process is immediately visible to managers through automatically updated reports and statistics of what is being done and how it is being done. As long as the

technology is narrowly used for its automating function only, the logic of the industrial machine -- rationalization and deskilling -- is perpetuated. When the technology is also used to informate the work process, it increases the information content of tasks and can completely change the nature and meaning of work (Zuboff, 1988: 10).

Given these insights into the functioning of information technology, what are the representational techniques employed by business intellectuals to discursively construct a particular relationship between technology and employees to bring about a controlled work environment? First, as discussed in the previous chapter, technology provides a reference point for constructing the subjectivity of the corporate employee, who becomes a cybernetic mechanism, programmable and capable of processing information upon demand, in certain pre-programmed directions. As such, the employee him or herself becomes an information system as does the organization for which he or she works.

In terms of organizational structure, information technology allows for a vastly more efficient means of processing and calculating information than has existed before and this is accomplished in a manner which renders that information manageable. Information systems provide a rationalized, public, independently authored electronic text that is treated as a complete account of the information necessary for smooth operations. Describing her observations in a number of organizations, Zuboff states: "This text relied upon an objective (thus, in theory, universally accessible) language thick with codes and numbers, as compared with the personal language each clerk had

invented to both trigger and convey a wealth of implicit knowledge" (Zuboff, 1988: 156). Computers extend the process of codification and the textualization of work content.

Zuboff outlines a number of ways in which this highly complex 'reality' is rendered into an ordered space. First, the electronic text that becomes the primary 'reality' of work raises the level at which corporate activities are recorded.

Information technology records *systems* rather than simply series of discrete events:

In the mills, the data interface provided a view, not only of one piece of equipment but also of the process in an entire production module; not only of one module but also of the production process across the mill; and not only of the production process but also of management information, expert models with which to calculate optimization parameters, and other data related to personnel, markets, sales, and much more. Thus, access to the electronic text meant access to far more than discrete memos or reports could ever provide: the organization's work is made visible in a new way (Zuboff, 1988: 179).

Second, information technology codifies procedures and informal knowledge into the structure of the information system, increasing the informational depth of the text. This means that the knowledge held by skilled employees becomes coded into the design of the information system, but also: "When the computer medium is used for communication, as in the case of electronic messaging or computer conferencing, informal discourse is also absorbed by the textualization process" (Zuboff, 1988: 179).

Third, the organizational text exists simultaneously outside of space/time and in a centralized space. It does not reside in concretized objects such as books, and a wide range of information can be gathered, codified, and stored in a single computer

system. At the same time, the corporate text can be radically decentralized, brought into view at any time and place. As well, the entire text infuses the organization, rather than being located in a set of papers possessed by certain individuals (Zuboff, 1988: 180).

Fourth, a corporate text has no author, but rather is produced by a series of individual acts of authorship as managers send messages, clerks enter data, customers use automated tellers, and so on. Each of these is an act of authorship that adds to the corporate text. As well, automatic processes may add to the text as grocery store check out scanners record sales, microprocessors record factory outputs, and so on. The text that is produced is more 'raw' -- less processed -- than the edited reports of middle managers. Consequently, the corporate text may seem more definitive and less criticizable than a written document where authorship is clear (Zuboff, 1988: 180).

Finally, the corporate text acts to distance meaning from experience. This can be a source of resistance in the workplace. Zuboff observed employee complaints that their 'art' was made obsolete by new computer systems and who resisted letting go of the action context of their work (Zuboff, 1988: 180). The symbolic medium of computerized work tended to distance meaning from experience although Zuboff sees this as potentially positive in that the uncoupling of meaning from its action context allows for a playful and experimental manipulation of symbols to create new meanings (Zuboff, 1988: 180-81).⁴⁹

Given these characteristics of the informed work environment, what form

does organizational representation take? Drawing upon Zuboff, Cooper (1992) identifies three general processes by which information technology is involved in organizational representation. First, symbols and electronic devices substitute for direct human involvement with the object of work and act to abstract thought from action. Distance and remoteness characterize the work process. Second, organizational activities becomes less a structure of actions coordinated in space and time and more a series of displacements along information networks; the electronic text, which becomes the object of work, no longer exists in discrete objects like books or papers, but rather, exists in an intangible electronic network that infuses the entire organization. It is simultaneously everywhere and nowhere. Third, information technology abbreviates complexity by reducing a three-dimensional world into a two dimensional representation on a computer screen or a printout. These three qualities which Cooper labels remote control, displacement, and abbreviation, respectively, are common to all processes of representation but seem particularly "hyperbolized" in information technology (Cooper, 1992: 256). I suggest that within the flexible corporation, this process of representation has three main power effects: the control of corporate space, control of corporate time, and disembodying the corporation.

a. Control of Corporate Space

Cooper's characterization of information technology certainly resonates with the descriptions offered by business intellectuals of the uses of information technology within the flexible corporation. Davidow and Malone, in their text entitled *The*

Virtual Corporation, point out that,

It is thus better to talk of the virtual corporation in terms of patterns of information and relationships. Building virtual products will require taking a sophisticated information network that gathers data on markets and customer needs, combining it with the newest design methods and computer-integrated production processes, and then operating this system with an integrated network that includes not only highly skilled employees of the company but also suppliers, distributors, retailers, and even consumers (Davidow and Malone, 1992: 6).

Business discussions about the relationship between computers and organization are a means of discussing the organization of information in a particular manner and also a means of constructing the forms in which information will appear. The difficult process of combining overwhelming volumes of information about markets, customers, suppliers, distributors, and retailers can be solved through representation. As well, the nature of employee interaction with this information can be regulated along certain paths through these representations of information. In spatial terms, this means that knowledge work can be decentralized and remote controlled; it accommodates and complements reengineering the organization into semi-autonomous teams. At the same time, the process of representation involved in the codification of the language of work supports remote control of teams by a centralized management. It objectifies corporate activities into codes, automatically records them into real-time information, and centralizes the resulting knowledge into central management information systems. When information is uncoupled from its action context and represented symbolically, corporate processes can be manipulated through manipulation of the symbols employed to represent them, thereby allowing for greater control over those processes (Cooper, 1992: 255). Information

technology, therefore, enhances certain general processes that have always been present in formal organizations: it converts the opaque into the transparent, it makes present that which is remote, and it manipulates that which defies manipulation.

b. Control of Corporate Time

Whereas the objectification of corporate activities into coded knowledge gives the executive remote control over the space of the corporation by making distant activities transparent, centralization gives executives control over time. A centre is powerful when it can predict or know in advance. Prediction is the result of efficient technologies of representation. Through the collation of vast amounts of abbreviated information, central executives can gain a picture of the future and manage risks before they happen. Organizational change can stay one step ahead of environmental change.

This is what Zuboff refers to when she speaks of the playfulness allowed by information technology. It provides a means to experiment with a simulated reality, coded into variables, to see how it will respond to certain manipulations. Hammer and Champy appear to have this predictive capacity in mind when they state:

Most executives and managers know how to think *deductively*. That is, they are good at defining a problem or problems, then seeking and evaluating different solutions to it. But applying information technology to business reengineering demands *inductive* thinking -- the ability to first recognize a powerful solution and then seek the problems it might solve, problems the company doesn't even know that it has (Hammer and Champy, 1993: 84-5).

The authors are suggesting that corporations use information technology to

anticipate problems not yet occurring or even contemplated, and manage them before risks can happen. Senge echoes this way of thinking about technology when discussing his concept of "microworlds", which involve using computer simulations to experiment with and learn about the relationships between complex team interactions and complex business interactions (Senge, 1994: 315). In other words, computer simulations can be used to test team solutions to business problems before actually entering the market. 'In particular, microworlds 'compress time and space' so that it becomes possible to experiment and to learn what the consequences of our decisions are in the future and in distant parts of the organization" (Senge, 1994: 313-14). In this way, representations of 'reality', provided by computer-based representations, point out 'contradictions' within team mental models as well as finding hidden strategic opportunities for shaping customer preferences (Senge, 1994: 316). Through this abbreviation, a complex reality is reduced to a set of codes and represented in the form of images, tables, and graphs which are themselves manipulated, rather than having to face the manipulation of an intractable 'reality'.

c. Disembodying the Corporation

Information technology is also the driving force for the displacing factor of organizational representation. Peters argues for the "insideration of outsiders and the informing of all employees" (Peters, 1994: 121), thus breaching the boundaries of inside and outside, and central management v. employees. Hammer and Champy argue for the "creative use of information technology", emphasizing its potential for

"break[ing] old rules and creat[ing] new process models ... Information technology acts as an enabler that allows organizations to do work in radically different ways" (Hammer and Champy, 1993: 47). In this manner, the representation of organizational structures becomes non-localizable and mobile. It is not fixed around a set of prescribed boundaries but remains changeable; it resists fixed location that can become hardened into immovable representations.

Even if the organization itself is not easily transformed or manipulable, the *model* of organization must remain movable. This is one of the reasons why, from the business perspective, the *model* of bureaucracy must be dismantled; it has become too fixed as an ideal-type which represents an end point of organizational evolution. Thus, it is difficult to manipulate, particularly when it encompasses collective labour organizations whose force cannot be converted, through representation, into something easily manageable and manipulable. Information technology plays a crucial role here, by justifying a reorganization that does not recognize boundaries and which minimizes, within its model, the differences in control between executives and workers. Rather than being political fields, organizations become information processing machines which operate according to the logic of rationalized management (both self and organizational) instead of conflict.

In considering the role of information technology in corporations then, the important characteristic of the technology, from a discursive perspective, is not its processing speed and ability to increase productivity, but rather, the manner in which it orders managerial information. This is its primary importance to the reorganization

process. Information technology enhances control, in a cost effective manner, by recasting the *content* of the organization as something visible and manipulable while defining the *form* of the corporation as intangible and difficult to apprehend. Through coding, centralizing, depersonalizing, and abstracting, the process and product of work moves further outside of the control of employees. This is why the decentralized, delayed corporation becomes possible. It is not a result of the managerial drive toward democracy but rather, information technology allows a representation of organization in which the products and processes of work become instantly visible. This allows for the elimination of personnel who act in a supervisory capacity and the reorganization of work into a process-orientation to match the systems perspective created by the technology.

3. The Team: Translating the Informed Organization into an Ordered Space

Given that in the 1990s, business intellectuals represent organization according to the informing qualities of information technology, corporations can afford, and indeed cannot afford not to, decentralize. This is made possible because, in a sense, the electronic text of work supervises the work process, eliminating the need for human supervision. The decentralized corporation must still be managed, however, and nowhere within the genre of business restructuring literature do business intellectuals seek to eliminate the role of management. Instead, as I will discuss in the next chapter, they seek to redefine it as management of communicative action rather than management of operations.

As I discussed in chapters 6 and 7, this shift in the role of management, and the resulting loss of direct supervision, creates a set of risks for executives and owners: how to ensure that employees work in the interest of the corporation rather than themselves, and how to ensure that they remain productive in the ways required by the corporation. These are not only questions of meaning-making but also questions of the regulation of effort in the decentralized, delayed organization. To adopt the term used by Miller and Rose (1993), it is a question of how to achieve "government at a distance" (as discussed in chapter 6).

Government at a distance involves a process by which central and peripheral agents come to share a definition of common problems through adoption of a common vocabulary and theory of the situation. Within the context of the corporation, a redefinition of personal and shared interest is not the only type of mechanism employed in management from a distance. Central managers continue to seek a degree of control over action as well as meaning, leading to a number of technologies of government that operate to discipline employee practices in a more direct, material manner, directing the flow of effort along certain prescribed, calculated paths, designed to embrace the risks posed by a chaotic environment while still controlling and regulating effort.

a. The Rationale for Teams

The *team* is a key element of the discourse of corporate restructuring, and forms a pillar which supports flexible corporate structure. The team is an attempt to

manage intersubjectivity within the decentralized corporation. In the specific context of the 'team' in flexible corporations, the rationale for restructuring corporate governance works itself out in a specific manner, through the use of the language of decentralizing, which business intellectuals also use as a code for 'democratizing' because it eliminates supervisory layers. These are the ethical forces that underlie the specific physical-spatial arrangement implied by decentralizing; they act to create a theoretical space that legitimizes the ensuing techniques of control. The language of democracy and markets acts as a translation mechanism between the political rationalities of flexibility and the regulatory aspirations of managers.

North American business intellectuals borrowed the team concept in the 1980s from Japanese and Swedish forms of production. In particular, much was made of comparisons of the declining North American automobile industry on the one hand, and the profitable Japanese automobile industry on the other, attributing that discrepancy, in part, to Japanese use of the team concept. Many union leaders were also attracted to the apparent humanizing effects of teamwork within the Swedish automobile industry (Parker and Slaughter, 1988: 3-4). From there, teamwork has spread to all industries and many of the larger corporations in North America.⁵⁰

Within the realm of knowledge work, to which much of the business restructuring writing is directed, the team concept takes on particular characteristics.

Davidow and Malone quote *Fortune* magazine's description of the 'team':

...[teams] typically consist of between three and 30 workers -- sometimes blue collar, sometimes white collar, sometimes both. In a few cases, they have become a permanent part of the work force. In others, management assembles the team for a few months or years to

develop a new product or solve a particular problem. Companies that use them -- and they work as well in service or finance businesses as they do in manufacturing -- usually see productivity rise dramatically. That's because teams composed of people with different skills, from different parts of the company, can swoop around bureaucratic obstacles and break through walls separating different functions to get a job done (Davidow and Malone, 1992: 199).¹

A number of implications flow from this typical definition of the team. It implies a number of rationales for restructuring the corporation in this way. Hammer and Champy argue that: "[i]t is no longer necessary or desirable for companies to organize their work around Adam Smith's division of labour. Task-oriented jobs in today's world of customers, competition, and change are obsolete. Instead companies must organize around work *process*" (Hammer and Champy, 1993: 27-8).

A number of people working across departmental lines are not flexible and will work on the various pieces of a process rather than the whole process. When work is reengineered around processes, the work unit will change from:

... functional departments to process teams. Companies that reengineer are, in effect, putting back together again the work that Adam Smith and Henry Ford broke into tiny pieces. . . . Process teams don't contain *representatives* from all the functional departments involved. Rather process teams *replace* the old departmental structure. While there are several different kinds of process teams, we mean something very particular when we use the word 'team'... a unit that naturally falls together to complete a whole piece of work -- a process (Hammer and Champy, 1993: 65-6).

Once again, there is something natural about this form of work organization. It is a return to an earlier form of work that industrialization "broke into pieces."

Peters links this renaturalization of work to the larger cultural process of the collapse of modernism:

Václav Havel, addressing world business leaders in Davos, Switzerland, in March 1992, called the collapse of communism 'an end not just to the nineteenth and twentieth centuries, but to the modern age as a whole ... the proud belief that man, as the pinnacle of everything that exists, was capable of objectively describing, explaining and controlling everything that exists' (Peters, 1994: 470).

Decentralization and delayering in social and corporate organization is, in part, a rejection of a political philosophy which seeks the micromanagement of all institutional processes. It is thoroughly in keeping with a neo-liberal political rationality and provides a legitimation for the importation of liberal governance into corporations.

There are other rationales for the adoption of a team structure in the corporation besides theoretical issues of governance. Heil, Parker, and Tate argue that the market has become too complex for any one individual to manage (seeming to forget that there is already a bureaucratic structure in place to rectify this situation) (Heil, Parker, and Tate, 1995: 101). Davidow and Malone point out that traditional organizational structures are simply too slow to operate effectively:

The virtual corporation will have many products with short life cycles. The decision of how to respond to a rapidly changing market can best be made by the individuals closest to the action. Attempts by managers who are removed from the day-to-day turmoil of the market to direct the activities of the worker are condemned to failure (Davidow and Malone, 1992: 166).

Teamwork, then, has a particular rationale attached to it. Like many of the innovations suggested by business intellectuals, it is premised upon a view of the superiority of Japanese production methods, the seductiveness of European democratic work initiatives, the naturalness of a process-oriented work structure, alignment with

larger sociopolitical issues of democratization and marketization in the wake of the international triumph of liberalism, and the potentials of teamwork for accelerating response time to market changes. What exactly do teams look like and what are their operating principles? From a critical perspective, what are the governmental forms and power effects of this particular discursive formation?

b. The Nature and Responsibilities of Teams

At the heart of the team concept is the notion of process work as defined by Hammer and Champy -- individual teams are responsible for conducting an entire process rather than just one or a few parts. This means that several jobs are compressed into one process delivered to customers directly by a team (Hammer and Champy, 1993: 51). This is a much more efficient, inexpensive, and customer oriented form of work organization and will, ideally, enhance profitability. Whereas Hammer and Champy give the impression of teams as stable work units, other business writers have a much more flexible notion of teams, pointing out that the nature of a team varies according to the market in which it is participating. Peters, for example, suggests that:

The 'average' team will consist of various people from various 'organizations' with various skills. Networks of bits and pieces of companies will come together to exploit a market opportunity, perhaps stay together for a couple of years (though changing shape, dramatically, several times in the process), then dissolve never to exist again in the same form (Peters, 1994: 12).

Davidow and Malone take a similar perspective, suggesting:

The empowerment of employees, combined with the cross-disciplinary

nature of virtual products, will demand a perpetual mixing and matching of individuals with unique skills. These individuals, as their talents fit, will coalesce around a particular task, and when that task is completed will again separate to reform in a new configuration around the next task. The effect will be something like atoms temporarily joining together to form molecules, then breaking up to form a whole new set of bonds (Davidow and Malone, 1992: 198-89).

Within this context, the team takes on a number of responsibilities formerly assumed by mid to upper-level management. First, corporations "delegate ever more decision making and control to the employees doing the actual work" (Davidow and Malone, 1992: 60). This is the democratizing element of teamwork:

Vertical compression means that at the points in a process where workers used to have to go up the managerial hierarchy for an answer, they now make their own decisions. Instead of separating decision-making from real work, decision-making becomes *part* of the work. Workers themselves now do that portion of a job that, formerly, managers performed (Hammer and Champy, 1993: 53).

Second, teams become responsible for setting corporate strategy:

... I don't believe top management should be in the business of strategy setting at all, except as creators of a general business mission. Strategies must be set from below ... by the autonomous business units, for the autonomous business units (Peters, 1993: 13).

In connection with a team's strategy-setting function goes a responsibility for corporate redesign as well. Gouillart and Kelly argue that corporate managers should use teams as "the basic connecting node and the driver of organizational adaptation" (Gouillart and Kelly, 1995: 289). This involves allowing the organization to evolve 'naturally' through the unplanned activities of close-to-the-market teams. Particular teams will thrive more than others, pointing the direction for general organizational change and indicating which individuals should be the future executives of the

corporation (Gouillart and Kelly, 1995: 298).

Third, teams, rather than individuals, become the primary units of accountability and responsibility for corporate performance. "It hardly makes sense for several members on the team to be able to win when the team as whole loses and when the customer is shortchanged. If a task requires teamwork, ensure that teamwork is required of everyone" (Heil, Parker, and Tate, 1995: 111). The team succeeds or fails as a unit; individuals must work hard to ensure that the team is successful.

4. Teamwork and the Problem of Agency

When the organization is constructed as a field that requires management and structure involving teams, an overriding risk emerges. This manifests in the concern within business writing over American employees' ability to work within teams.

Heil, Parker, and Tate, for example, after stating the need for cooperative forms of work within a team framework, point out:

We are simply not prepared to cooperate -- culturally, structurally, or philosophically. We are, after all, a nation that makes heroes of individuals who distinguish themselves competitively. From corporate raiders to rock stars, from baseball's Most Valuable Player to the most famous heart surgeon, we've focused on individual winners. Looking out for #1 is not only expected, but rewarded (Heil, Parker, and Tate, 1995: 102).

This is one way of framing a risk of primary concern to business intellectuals and practitioners -- the question of trust in the decentralized organization. How can managers be sure that employees will work for the benefit of the corporation rather

than themselves? This is particularly true within a discursive form that simultaneously celebrates teamwork and aggressive, entrepreneurial individualism. Some means must be found to bridge the contradiction.

Newfield (1995) suggests that there is not as much of a contradiction between the self and the community as might appear at first glance. He argues that current corporate discourses of enterprise are based upon a 'dream' which combines both a regenerated community of mutual care and individual meaning and self-fulfillment:

The dream here is that the two halves are one. The dream gathers much of its power from its liberalism: there's nothing reactionary or obviously regressive about it. Conventional wisdom is quite wrong when it assumes that the corporate 'middle class' historically favors laissez-faire liberalism that fully deregulate markets and individuals; American liberalism has always been obsessed with collective management. The dream of corporate individualism builds on a long tradition in the United States of seeking individualist fulfillment through community harmony. But this looks possible to probusiness liberals only within the borders of the firm (Newfield, 1995: 33).

Whether or not Newfield is correct in his assessment of American liberalism, it is clear that business intellectuals are attempting to construct a corporate lifeworld that combines corporate community with individualism.

Peters devotes a chapter to the issue of trust, pointing out that:

No trust equals no project organization equals no removal of layers of middle management equals no willingness to share strategic information equals no multi-skilled training equals no self-management (team or individual) equals no intimate 'outsider' (customer, vendor, partner) involvement -- equals no dice. That's the equation which cannot be avoided or evaded (Peters, 1994: 462).

Trust, then, is a key element of the flexible, team-based organization but must be managed in certain ways.

In chapter 8, I discussed how the concept of learning acts as a political rationale, discursively constructing a type of subjectivity that is specifically designed for the decentralized and delayed flexible corporation. Within this discourse, the employee becomes a programmable learning mechanism, operating through processes of feedback, and is capable of slotting into the larger learning mechanism of the corporation. Both the subject and the corporation are the same type of mechanism, operating along the same cybernetic principles. It is the programmability of the employee that makes autonomous teamwork possible because the employee can be programmed to internalize the corporate values that will make him or her trustworthy.

This characterization of the employee is a discursive construction which must be operationalized in 'reality'. To accomplish this, business intellectuals generally recommend a number of organizational practices that act as technologies of government within the corporation, ensuring that employee behaviour involves a maximization of productivity in the service of the corporation. Whereas in Chapter 7, I discussed the means by which teamwork is involved in the production and control of meanings and knowledge, here I analyze the mechanisms by which teamwork and associated structures operate to control effort.

As implied by the manner in which teams are discussed in the literature, a number of solutions to the question of trust are suggested by business intellectuals and linked into a programmatic complex of governance. If, as Newfield suggests, the entrepreneurial corporate self operates within a shared communal context, it is a highly controlled context, as one might expect given that the corporation is an

institution that exists for certain specific purposes. This tends to mitigate, however, against its claim to be a potential lifeworld within which individuals can find both self-fulfillment and belongingness. How can the contradiction between comprehensive life aspirations on the one hand and the focused pursuit of profit through efficient provision of goods and services on the other hand be reconciled?

In chapters 6 and 7, I pointed out the subjectivity-forming rationales for reconciling the self and the corporation. These rely upon certain technologies of government for their operationalization, including: placing customers within teams, eliminating job security, establishing a system of competition among teams, making teams responsible for organizational change, and revising the reward structure. I wish to examine the control implications of each of these in turn.

a. Placing Customers on Teams

As mentioned in Chapter 6, customers have become a major element of the problem-setting discourse that establishes an ethical field for intervention in the discourse of flexibility. Customers have been redefined from passive consumers of mass-produced goods and services to entrepreneurial, fickle consumers demanding customized service and going elsewhere if they do not get it. Customers are in control of the market: "Customers are being educated to expect -- no, demand -- more. And it seems that no matter how unrealistic customers' expectations become, someone is willing to serve them, educating them to expect even more. The power has shifted. Today the customer really is 'in control'" (Heil, Parker, and Tate, 1995:

139).

To capture the risks posed by customer control of the market, corporations must "enlist and empower the customer in the design and production process itself" (Davidow and Malone, 1992: 6). Business has become so competitive that the only solution to the problem of survival is to "bind customers to [the corporation] for those three or four product generations needed to turn a profit" (Davidow and Malone, 1992: 21). Peters calls for a "symbiosis" with customers, including them on design and production teams and allowing them to "*shape* the project, going beyond customer involvement to customer leadership" (Peters, 1994: 81). Hammer and Champy echo Peters' call for customer leadership, adding that customers may be people inside the workplace as well as outside (Hammer and Champy, 1993: 39).

What are the control implications of this customer-focus? It is seductive because of its common-sense nature but ultimately, the customer in this formulation becomes a new kind of boss. The 'customer' is a construction that demands high performance from employees -- corresponding exactly to the increasing productivity demands of executives and owners. Because the *customer* demands maximum performance, the idea is difficult to resist; the customer should not be denigrated for demanding a high standard of service because we are all customers and we all want good service. Consequently, employees are implicated in the call for better service and its effects on the effort bargain in the workplace. How can we deny to others what we demand ourselves? Work and consumption are guided by the same market principles and at the same time, business intellectuals can portray control by

customers as democratic and decentralized because organizations no longer need a well defined, privileged management stratum to regulate employee behaviour. Employees are managed by the market environment through the customer. Work teams, which operate close to the customer, become a sub-field of subjectivity formation in which a customer ethic acts to motivate behaviour.

b. The Elimination of Job Security

One element of the new workplace neglected by business writers is the question of job security. They are generally silent on the question, never mentioning unions or other forms of employee protection. Implicitly, these would have no place in the flexible corporation; they are holdovers from the previous era of hierarchy and protectionism and would tend to inhibit the natural entrepreneurial drive.

Drucker, alone, explicitly calls for what the others imply, the abolition of unions: "... all available evidence indicates that work rules and job restrictions are the main cause of the 'productivity gap' of American (and European) manufacturing industry [as compared to the Japanese]" (Drucker, 1993a: 137). He argues that non-unionized contractors in the United States have about the same productivity as Japanese contractors, while union contractors are far less efficient (Drucker, 1993a: 138). Ultimately, the solution is "... the disappearance of the unions" (Drucker, 1993a: 141). In fact, the concept of employee protection should be thrown away altogether: "... we need to safeguard the company's ability to lay off managerial and professional people, and especially to lay them off when it is not their performance,

but economic conditions or business decisions ... that causes them to become redundant" (Drucker, 1993a: 162).

I argue that other business intellectuals would generally concur with Drucker. The emphasis in all of these texts is on customer orientation and enhancement of productivity. Through workplace democratization, these two goals will be achieved, but job security must be sacrificed. Unions in particular have no place within the flexible corporation. They become what Watkins (1993) defines as 'throwaways', social formations made obsolete by sociotechnical developments (Watkins, 1993: 35). As such, unions become like old technology; they are a relic from an irrelevant past, having the effect of slowing the process of constant innovation and change by clinging to an idealized 'natural' coding of social positioning. Unions must, within this discourse, be relegated to the 'scrapheap' of dead social formations. Not only do unions contradict the neo-liberal celebration of markets, but they also pose a risk to a population's global competitiveness. Davidow and Malone express this view quite clearly:

The most common explanation for [union] decline is that labor in the United States has lost touch with the changing realities of the workplace -- a dangerous position to be in as we approach the radical discontinuity of a new business revolution.... A survey of pro labor articles, books, and speeches is equally dispiriting, leaving one with the impression that organized labor in the United States is still fighting the battles of the thirties, with little recognition -- if not paranoia -- about the changes taking place within its membership (Davidow and Malone, 1992: 208-9).

The authors proceed to criticize labour writers who argue that restructuring into autonomous teams is a management labour process strategy that forces more

effort from employees while simultaneously co-opting them into an employer perspective on work and organization. They point out that:

American organized labor has backed itself into a corner by removing itself from corporate decision making and instead focusing upon enforcing -- through job classifications, seniority schemes, and so on -- organizational rigidity. This is the most suicidal strategy imaginable in the virtual corporation. That is why U.S. unions, in the words of [John] Hoerr, 'must reinvent themselves much as some companies are trying to do' (Davidow and Malone, 1992: 209).

The logic of the argument is questionable. Traditional union demands and organization are not beneficial for 'virtual' corporations, therefore, unions are harmful. It is a form of tautology common within business restructuring literature, as I have previously discussed in connection with the critique of bureaucracy as negative because it does not operate on the principles of entrepreneurship. There is an absence of theorization or justification for these claims. Both unions and bureaucracies are judged solely by the rationales for the flexible corporation rather than according to their own rationales and purposes. This has the effect of writing flexibility as though it were simply obvious and unproblematic, not open to similar forms of questioning. It also makes the flexible corporation appear as a universal form, applying even to union organization.

c. Changing the Reward Structure

A key element to restructuring the corporation is changing the basis for, and nature of, rewards. Hammer and Champy state that in the reengineered corporation, performance measures must be based not on the time spent at work but rather,

"[w]hen employees are performing process work, companies can measure their performance and pay them on the basis of the value they create. That value is measurable because in reengineered business processes, teams create products or services that have intrinsic value" (Hammer and Champy, 1993: 73). Drucker suggests also that rank should be replaced by performance as a measure of compensation, "... to the point where ten years hence we may routinely pay a top flight professional more than the manager to whom he or she reports, just as we pay a football star more than we pay the coach" (Drucker, 1993a: 161).

Advancement itself, occurs through ability rather than performance. Because one is good at one's job does not mean that one will be a good manager of others. Advancement is a change, not a reward (Hammer and Champy, 1993: 74). This type of change is made necessary by the fact that in "the new, hierarchy less, horizontal project-driven organization, [t]here's not going to be much of a pyramid left to climb" (Peters, 1994: 450). Promotion will tend to mean movement from non management employee to team manager or from team manager to central manager. Middle ranks will have been eliminated (Drucker, 1993a: 157). This does not mean that movement within firms will not occur; it will, however, take the form of "doing something more interesting than you've done before" (Peters, 1994: 451). Movement takes the form of moving from team project to team project, all the while expanding one's knowledge and skills. The real reward here is 'learning' rather than advancement and pay.

In this new view of reward for value creation rather than time spent, and for

management ability rather than seniority, the very nature of rewards shift from acting as compensation for labour, to a measure of personal team performance and a feedback mechanism to reinforce desired employee behaviours. Heil, Parker, and Tate make this clear, arguing that,

We must avoid practices that increase the rigidity of employees and make it rewarding to redesign the system and abolish unnecessary tasks. Let's ensure that our goals far exceed our resources and the present capabilities of our processes so that innovation is no longer an option. Let's make certain that the system's structures make substantial unreasonable progress the norm (Heil, Parker, and Tate, 1995: 34).

In other words, rewards should be used to promote learning and experimentation that create corporate flexibility. The rewards tell people if they are exhibiting the proper entrepreneurial spirit: "Rapid, continuous improvement and innovation must be a prerequisite to success at every level in the organization" (Heil, Parker, and Tate, 1993: 98-99).

Rewards can also act as a means of instilling 'core ideology': "The rewards system is the connector through which people decide whether to make the goals of the corporation their own, personal goals. The corporation bares its soul through its rewards system, implicitly inviting people to accept or reject the very essence of the organization" (Gouillart and Kelly, 1995: 242). Whereas Gouillart and Kelly leave it up to the employee to accept or reject a corporation's reward structure, Collins and Porras suggest a more aggressive, behaviouristic approach based on "[i]ncentive and advancement criteria explicitly linked to fit with the corporate ideology [and] awards, contests, and public recognition that reward those who display great effort consistent with the ideology. Tangible and visible penalties for those who break ideological

boundaries" (Collins and Porras, 1994: 136).

This type of rhetoric about rewards calls upon the justification of self fulfillment to legitimize a lack of advancement and lack of permanent pay raises. Such crass considerations are set in opposition to self actualization. Gouillart and Kelly invoke John F. Kennedy and his challenge to "[a]sk not what your country can do for you, but what you can do for your country" as an example of how rewards should operate (Gouillart and Kelly, 1995: 238). In the flexible corporation, people cease defining themselves in terms of expected material rewards and begin to define themselves in terms of the impact they can have on the people and world around them. The boundary between self and environment becomes blurred. This is similar to Senge's notion of 'metanoia' in which the experience of working on a close knit team allows one to transcend one's self and find fulfillment within a mechanical solidarity; "the solitude of the monk yields to the warmth of the ecumenical parish" (Gouillart and Kelly, 1995: 238). The ultimate reward then, is the act of working for a flexible corporation because it is the route to self fulfillment beyond mere pay and promotion, which cut into corporate profits.

This is the basis of the 'psychological contract' which replaces the labour contract.

The dominant psychological contract was once the paternal: "Give us a dedicated 40-hour week year after year, and we will give you the security of lifetime employment and a comfortable retirement." It then evolved to the raw: "People are like physical assets, to be used and disposed of as the company sees fit." Today, a more human psychological contract is emerging in successful firms: "You are an individual, responsible for your own life. Give us your dedication to growing and bettering the company, and we'll enhance your

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opportunity to grow and better yourself' (Gouillart and Kelly, 1995: 243).

Notice there is no mention of employment stability or corporate commitment to the material or social well-being of employees. It is an individual focus and promises only to give employees the opportunity to grow through dedication to corporate goals.

d. Competition and Team Discipline

Significantly, market principles are no longer restricted to the consumer marketplace, according to these texts, but must become guiding principles of internal organizational structure as well. This is one of the most significant shifts from corporate culture to flexibility: whereas corporate culture had a largely inward focus, attempting cultural engineering to enhance loyalty and productivity, flexibility breaches corporate boundaries, defining the same principles of operation as effective in both the market and the organizational environments.

For example, Hammer and Champy, as mentioned previously, urge employers to pay employees based on the value they create, rather than for performance of a task. One must become an entrepreneur for rewards. This creates an atmosphere of competition among employees as they vie with one another to create value.

Management bonuses are based on a measure of customer satisfaction, linking pay to a marketized measure of value creation through enhancement of customer demand. By placing employees into small autonomous process teams, management creates a situation where employees become customers of one another, depending upon each teammate to constantly perform at peak efficiency so that all may do their jobs and

turn out the best product.

Peters provides some examples of how the marketized firm operates. In referring to the European conglomerate, Asea Brown Boveri (ABB), he states:

Recall ABB's big, bloated central staff units of yesteryear: CEO Percy Barnevik let almost a third of the staffers go. About a third went to the firm's line businesses. Most of the remaining third stayed with the staff units, which were transformed into free-standing service centers. The latter now must compete for line units' business, at market prices (Peter, 1994: 336).

Another example is the *London Free Press* of London, Ontario where reporters, photographers, graphic designers, and editors are grouped into 'clusters' of six to nine people.

The independent units, which have absorbed about one-third of the newsroom's editorial complement, 'generate, research, write, and illustrate their own ideas,' according to the *Globe and Mail* (Toronto). But they are not guaranteed space in the paper! They must 'sell their ideas to whichever section of the [paper] they can' (Peters, 1994: 339).

An underlying assumption is that to best anticipate marketplace fashion trends, one must get as close to the market and the customer as possible, and even become the customer. By incorporating market principles into the very structure of the organization, making employees compete with one another to buy and sell each other's products, managers hope to break down the barrier between the organization and the market.

Embedded within the structure of the new corporation is a form of inter-employee regulation where employees are placed in a position of having to monitor each other's behaviour to preserve each individual's self-interest. By dividing employees into small process teams and forcing them to compete with other teams as

well as other corporations, managers are creating a situation of extreme competition where everyone must work at maximum performance. If a teammember does not 'carry his or her own weight', the other teammembers must attempt to discipline him or her before the productive level of the team falls below that of other teams with a resulting loss of a chance at bonus pay for all.

Individuals become caught up in an arena of desperate competition upon which their well-being depends. Although the authors portray this as self-fulfilling, creative, and freedom-giving, they simultaneously advocate withdrawing all safety nets to protect jobs. In the chaotic and uncontrollable environment of the 1990s, executives do not want to become dependent on individual employees and insist on retaining the authority to hire and fire at the company's leisure.

In some ways, the flexible corporation involves a greater degree of control than earlier organizational representations. Not only is control over employees more subtly diffused and individualized, but also the structure itself, despite rhetoric of democracy and fulfillment, is an enhancement of rationalization. It is nothing less than an attempt to harness the chaotic marketplace by embracing risk within organizational structure. Team-based organization is designed to be the ultimate flexible structure to automatically adapt to constant market change by being subject to the same forces that transform the market. This is accomplished by importing market principles into the firm through customer involvement, removing job security and collective organization, rewarding employees on the basis of entrepreneurship and value-creation, and establishing internal markets and competition.

5. Summary

Governance of organizational structure in the 1990s involves a two-step process. First, organization must be represented as a field open to management. Business intellectuals accomplish this through reference to a model based on information technology. Within this representation, the organization is often described as a programmable mechanism, but at a deeper level of representation, organization becomes based upon a simultaneously centralized and diffused corporate electronic text that has no author. This text allows organizational processes to be abbreviated through coding, displaced through its non-localizable character, and remote-controlled by simultaneously objectifying organizational content and subjectifying organizational form.

This form is decentralized and based on teams which manipulate the corporate text and operate more remotely from overt management control due to the elimination of supervisory layers. However, in translating an information technology-based model into practice, certain technologies of government become necessary to reduce the risk of agency and to depoliticize organizational subjects. These include customer involvement, loss of job security, new bases for rewarding effort, and imposition of internal markets. I argue that these practices have the effect of enhancing the executive's position in the effort bargain. Authority continues to reside in the centre while techniques of control force self-managed teams to operate along executive-prescribed pathways. In the end, there exists a contradiction between entrepreneurial self-fulfillment on the one hand and executive imposed goals and work regimes on the

other. The task for managers becomes a matter of redefining the situation to overcome such contradictions.

X. Rendering Control Invisible:

New Roles for Managers in the Flexible Corporation

In chapter 9, I examined the process by which a new representation of organization is made possible by the informing quality of information technology and how that representation is translated into a technology of governance based around work teams. Through the abbreviation of the flexible organization into an ubiquitous electronic text, work can be delegated to semi-autonomous teams which manage the text by adding information content to it. A number of disciplinary attributes are incorporated into the design of teams, allowing senior managers to concentrate on tasks other than organizational control.

The situation within flexible corporations, then, is an enhancement of productivity through the presence of employees who are ideally entrepreneurial and imbued with the desire to work and learn for the benefit of the corporation and for the attendant self-fulfillment. They ideally work within largely independent teams which are self-disciplined and self-managed within the context of a delayed and decentralized corporation. This is the ideal of flexible organization within business restructuring literature. In this chapter, I wish to move beyond the central argument of the literature and look at the issue of management within the flexible firm. This is an important issue because it is through a reformulation of the rationale and authority of management that control, within the discourse of flexibility, is operationalized.

The business restructuring genre is directed at senior managers and claims to

redefine their role. Are management roles really changing and if so, what is different about them? Given that management layers have been largely removed from this ideal corporation, how does management continue to rationalize its right to manage if people are self-motivated and have internalized corporate values? I identify a newly emerging rationale for managers, examine the new management roles that flow from it, and illustrate and examine how a new conceptualization of "leadership" becomes the basis for corporate authority in the discourse of flexibility.

1. The Traditional Management Model

Before examining changes around conceptions of management in the 1990s, I wish to review traditional understandings of the nature and roles of management in the twentieth century. Around the turn of the century, two important developments brought about a managerial revolution: the establishment of the managerial function as distinct from the ownership function, and separation of the ownership of industrial capital from its control (Chandler, 1977). Traditionally, managerial authority derived from property ownership, which was first perceived as a God-given right and later, a sign of superior capabilities within the competitive jungle of liberal society; no separate justification for the right to manage was needed. However, with the separation of ownership and management, a need arose and since the 1920s, a recurrent theme in managerial thought has been 'professionalism' (Hill, 1981: 39). This view posits management as a highly technical function requiring appropriate levels of education and training. Managers have earned their authority and status

because they have been recruited on the basis of accepted criteria of ability and training. They are seen to share the ethics of professionals, rather than being motivated by the ruthless pursuit of profit.

This view of management assumed a Weberian model of bureaucracy, a pyramidal hierarchy of clear-cut authority with command exercised down a vertical line. This model has five important elements:

- a. a high degree of specialization and a clear-cut division of labour with tasks distributed as official duties;
- b. a hierarchical authority structure with clearly delimited areas of command and responsibility;
- c. a formal body of rules which governs the operation of the organization;
- d. impersonality of relationships within the organization; and
- e. recruitment on the basis of ability, lifelong employment, and promotion according to seniority.

These elements were tied together into a coherent totality on the basis of 'rationality'. On the one hand, rationality meant technical efficiency and on the other, a system of control or authority accepted by members because they saw the rules of authority as rational, impartial, and just -- a legal-rational system.

Within this type of organization, management fulfills certain functions. Cyril Sofer identifies two general functions: control and system-maintenance (1972: 273).

The control function consists of two tasks:

- a. making and executing decisions, including devising strategies and determining priorities; and
- b. controlling subordinates by giving them instruction and advice, persuading them to act in particular ways, securing their identification

with organizational objectives, manipulating their environments, and so on.

System-maintenance functions include:

- a. organizational integration, which includes communicating to subordinates and peers the wishes and intentions of senior management, and communicating to senior management the circumstances, problems, and capacities of his or her subordinates, and
- b. emotional maintenance, keeping interpersonal relations pleasant, arbitrating disputes, giving encouragement, and so on.

Sofer's categories suggest that managers have always had a role in the affective and communicative side of organization; these are not simply attributes of post 1980 corporate culture. He also points out, however, that traditionally, the control functions have been emphasized in job descriptions and new appointments (Sofer, 1972: 273).

Of course, all of the above is a 'model' of organization which sociological research has demonstrated to be inaccurate and dysfunctional in practice. Merton (1957) argues that Weberian-style bureaucracy becomes rigid and inflexible because its primary objectives and principles produce secondary consequences that run counter to the primary objectives. Organizational members tend to follow rules slavishly regardless of rationality or efficiency, to become committed to procedures in a ritualistic manner that ignores the goals behind the rules. Perrow (1972) counters Merton's view (and that of 1990s business intellectuals) pointing out that rules often serve as a 'scape-goat' for other organizational problems such as poor communication channels, internal power struggles, and a failure to adapt rules to changes in organization in environment (Perrow, 1972: 30). Organizational rules have many

positive effects, including mediation of differences in personnel, customers, production techniques, and environments; limiting management discretion; mediating conflicts; and so on (Perrow, 1972: 25).

Crozier (1964) extends Merton's analysis to argue that bureaucracies cause a vicious circle of decreasing efficiency and effectiveness. Impersonal and formal rules protect employees from their superiors and subordinates, because when people obey the letter of the rules, they are safe from penalties regardless of whether their actions promote organizational goals. At the same time, centralization of power at the top means that those who make decisions are usually people without first-hand knowledge of the issues. They rely on undistorted communication from below for information necessary for executive decisions. This information may be withheld or distorted because managerial strata may be isolated from one another, develop their own internal group solidarity, and so on. In this situation, a group can maximize its freedom to bend the rules to suit its own goals rather than those of the executive.

The vicious circle occurs when senior managers realize they are losing control and try to regain it by creating more rules to regulate activity more minutely. Despite its dysfunctionality in practice, the bureaucratic model of management serves, as a knowledge system, to legitimize certain types of management functions, power, and authority which remain relatively unquestioned within society at large. This model has shaped conceptions of how organizations should be and has motivated efforts at reorganization in the past along certain lines. Once again, Perrow provides a counter-argument, arguing that dysfunctions such as those outlined by Crozier, are, in fact

necessary for the division of labour and provide a means of unintrusive control through rules which direct employees who have limited rationality (Perrow, 1972: 152).

Business intellectuals and sociologists have been aware of the weaknesses and problems of bureaucracy for a long time, and recent developments in theory and practice have been, in part, attempts to address these problems. As I pointed out in chapter 6, the problems posed by changes in the environment -- unstable international and national markets, increased competition through globalization and niche markets, and entrepreneurial customers who demand individualized goods and services -- have been framed in such a way that increased flexibility seems the only option for business reorganization.

The concept of flexibility has been present in management discourse for many decades and forms the basis of contingency theory and other approaches to understanding organizational change. Burns and Stalker (1961), for example, distinguish between two extreme organizational forms: a "mechanistic" or bureaucratic organization, suitable for stable conditions, and an "organic" or non-bureaucratic form which maximizes personal discretion, decentralized decision making, and avoids rule-bound behaviour. Organic organizations are especially suitable for conditions of rapid change within unstable market environments. Others have made similar observations and comparisons, including Argyris (1960), Gouldner (1954), and McGregor (1960). Douglas McGregor's work on "Theory Y" has been a particularly important intertextual source in the development of business restructuring

literature, his insights being incorporated into early corporate culture texts such as Ouchi (1982) and Peters and Waterman (1982).⁵³

Within this context, the traditional roles of management, particularly their control aspects, have come under question and are being redefined. Davidow and Malone (1992), for example, look at old bureaucratic structures and argue that they were developed in a different era for a different set of circumstances. They state that hierarchical structures in American business were developed to process the vast amounts of information needed to manage the railroads in the late nineteenth century.

The railroads of the late nineteenth and early twentieth centuries often functioned with towering hierarchies of management. There were managers at the center who reported to managers at the office who reported to managers at a distant location using the telegraph system. Management hierarchies made it possible to operate the railroads effectively, just as scientific management made it possible to operate the factories efficiently. Combining the two created a management system that was ideal for controlling static, inflexible, mass production systems (Davidow and Malone, 1992: 166).

Hierarchy was combined with scientific management to form the modern organization. Tayloristic principles were incorporated into work process to form a mechanical organization:

Of course the workers fought back, especially after labor realized that the manifold increase in production under the American Plan [Taylorism] would not be matched with increases in salary (as Taylor had advised). In the hands of business executives who saw only greater profits by speeding up production, Taylor's scientific management, with its dream of improving the lot of both employer and employee, often became a nightmare for the latter.... The American Plan was the first attempt to bring the tools of science and technology to the management of production. Although it resulted in a great increase in productivity, it created worker alienation. In its wake grew the schism that has set worker against management and destroyed the spirit of teamwork between labor and management that will be essential for the virtual

corporation (Davidow and Malone, 1992: 164-65).

This is an oft-repeated narrative within the literature and despite the implicit and explicit critique of management, it is really a critique of a form of organization which produced a form of management that divided workers and managers and set them in unnecessary conflict. Although poor communications technology may have necessitated centralization and hierarchy earlier in the century, organizations can now decentralize, thereby removing the source of internal conflict.

The solution is not only to reorganize by removing layers of management from the cumbersome bureaucracy, but also to change the roles of managers. Heil, Parker and Tate (1995) summarize the elements of the new management:

We have to make the choice to change. And when we do, we can't underestimate the commitment it will take. Making this choice will require leaders to abandon their traditional roles as goal setters, motivators, and decision-makers. Instead, leaders will focus on helping people (and teams) design processes that will foster learning that can be effectively applied to continuously improving performance. Tomorrow's leaders must become the architects and builders of a very different kind of organization, where a shared vision and shared values -- not rules -- will provide a sense of order, and where responsibility, not status, will determine one's level of contribution (Heil, Parker, and Tate, 1995: 6-7).

This seems to imply a rejection of the control functions of management and the foregrounding of system-maintenance, to use Sofer's model. What does this mean for management in the future and why is it happening?

2. A New Rationale for Management

Given the attack on bureaucracy as a structure and the rejection of traditional management functions, what is the rationale offered for a continuation of managerialism? According to business intellectuals, the new circumstances of corporate competition require a new form of management directed not strictly at the labouring body through supervision and the cash nexus, but also at the labouring self, the identity and meaning-making elements of the corporate subject. Social scientists have neglected some of the crucial aspects of this change due to their focus on Post-Fordist accumulation and enterprise culture. Involved with these processes is a redefinition of the 'right to manage', which is one of the most fundamental motivating forces behind the development of the discourse of flexibility within the corporate world. To redefine the right to manage, management as a social practice must be reconceptualized and business restructuring literature is aimed at accomplishing this change through providing a rationale and legitimation for new managerialism.

Business intellectuals begin by addressing a concern that corporate management has a low public and political valuation and must be rebuilt in a manner which grants it a new respectability. The low opinion, according to business intellectuals, is due to undeserved bad press:

Corporations and their leaders are among the most popular of present-day villains. Television portrays greedy companies trying to gratuitously dump unspecified toxic waste into Johnny Fishy's lake on early morning cartoons. Businessmen who enslave their workers are featured on daytime talk shows. Eager capitalists build unsafe nuclear power plants in movies and docudramas.... Faced with this onslaught of corporation bashing, it's easy to forget that, like people, every company is unique. Corporations are just like us. In fact, they *are* us

in the form of shareholders or employees.... Like people, corporations are a composite of the hero within and the villain within. And as is true of most people, the hero triumphs more often than not (Gouillart and Kelly, 1995: 311).

What is the ultimate source of this "bad rap" and the distrust that it engenders?

Some of it is philosophical animosity: A minority of people believe in their hearts that free enterprise and the profit motive are morally wrong. But the single largest component is *heritage*. Under the industrial model, the foundation of trust between corporations and society simply was never laid. The Marxist viewpoint of the exploitation of man by man is still at work, long after the death of Marx and even the collapse of the Berlin wall (Gouillart and Kelly, 1995: 311-12).

Once again, the spectre of Marxism/Communism is raised to justify corporate practices. A history of exploitation, unbridled pursuit of profit over all else, destruction of communities through capital flight, ownership of much of the social wealth, or the use of economic power to escape the consequences of environmental devastation play no role in the "bad rap"; it is the influence of Marxism on people's thinking about the relationship between corporations and society.

How can corporate management overcome this unfavourable public perception? Business intellectuals often resort to the language of self-help and advocate adopting a favourable self-image. Gouillart and Kelly recommend "embracing both the hero and the villain within, both the corporation's soul and its shadow" (Gouillart and Kelly, 1995: 312). If corporate managers begin to view themselves and their corporation in a positive light, society will as well. Hammer and Champy suggest a more concrete solution that is echoed in other texts -- promotion based on managerial skills rather than seniority or performance. Business intellectuals view advancement as a change,

not a reward (Hammer and Champy, 1993: 74). In this way, ideally, no inept managers will be present to embarrass corporations by their actions.

From a critical perspective, Clarke and Newman (1993) argue that there is also a broader agenda involved in redefining management, aimed at making corporate management the driving force of a competitively successful society. New managerialism promises liberation for managers from their current oppression. Expressed in an inspirational literature, it proclaims success through self-transformation from bureaucrat to entrepreneurial leader. Leadership no longer entails mechanistic management, but the inspiration and binding of others to the corporate vision. This form of leadership is legitimized by the changing nature of the global political economy, which has facilitated corporate managers in issuing demands to government leaders to end 'over-regulation' and 'over-taxation', and to restrict labour power through legislation. These demands have had the effect of re-asserting the right of managers to manage free from 'unreasonable' restrictions; they re-establish control in the hands of managers, where it belongs.

Clarke and Newman argue that the prescriptions for management style found in business restructuring literature open up the domain of the organization to the exercise of managerial discretion. They offer an approach to managing that fills the gap created by the dismantling of other forms of organizational power, especially unions. Although the decline in collective labour power in North America removes some of the limitations on management discretion, the new managerialism promises a climate of trust -- a corporate culture of mutual commitment to the values and vision

of the organization. As some critics have pointed out, however, extra-organizational factors such as unemployment rates may have a significant role in inducing 'loyalty' as well. Unfortunately, Clarke and Newman fall into the trap of concluding that the new rhetoric of managerialism cannot be taken too seriously because its recommendations are not yet fully implemented in any organization (Clarke and Newman, 1993: 437). This does not recognize that the discourse provides a *rationale* and a meaning system to support changes to organizational and employment structures that are for the benefit of management as an interest group. It legitimizes managers in their positions by positing their entrepreneurial and visionary talents as necessary requisites of corporate and social leadership in the late twentieth century.

3. New Management Roles

Business intellectuals begin the exercise of legitimating management by attacking the 'organization man' and the bureaucratic form that produces him. Whereas traditional managers/bureaucrats were trapped by an organizational culture that valued rule-following above innovation, the new manager is dynamic, entrepreneurial, creative, and in charge of his or her destiny. He or she has a commitment to *transformational* rather than *transactional* leadership (Clarke and Newman, 1993: 428). The 'new breed' of managers must have a different set of qualities; they are visionary, people-centred, customer-focused, and attuned to cultural meaning. With these qualities, managers will be able to assume a new set of roles which I explore in detail below: continual organization redesign, defining values, and

creating vision. Using Sofer's categorization of managerial functions, these are all system-maintenance functions. Overt control is no longer a formal management function. This appears to be the only type of control which business intellectuals recognize, allowing them to characterize meaning-creation as something other than control.

a. Continual Organization Redesign

Within the genre, continual organization redesign consists of three roles including: architects of new systems, network managers, and goal-setters.

- i) **Architects of new systems** are generally senior managers who must design new organizational and work processes that allow the organization to be adaptive to changing circumstances. Gouillart and Kelly label these executives, "genetic architects":

The role of the CEO and the leadership team is to act as *the genetic architects of the corporation*. As such, they are not concerned with the minutiae of corporate life, but with splicing the right genes, of the right chromosomes, at the right time, and in the right place to enable the 12 biocorporate systems to interact with each other in the best possible way (Gouillart and Kelly, 1995: 8).

After quoting one corporate executive who also labels the new executives as "organizational architects", Senge asserts:

The essence of the new role, I believe, will be what we might call *manager as researcher and designer*. What does she or he research? Understanding the organization as a system and understanding the internal and external forces driving change. What does he or she design? The learning processes whereby managers throughout the organization come to understand these trends and forces (Senge, 1994: 299).

Becoming an organizational architect requires a certain discipline of thought among senior managers. They must become systems experts, concentrating on the interrelationships among the parts of the corporation instead of viewing each part as separate. Managing becomes a matter of managing relationships within the whole, rather than functions within the parts. This avails new management discourse of a scientific legitimation in chaos theory and systems theories in asserting that organizations operate on the same principles as nature (Heil, Parker, and Tate, 1995: 27).

Through adoption of systems theory, managers can better grasp the complexities of organization that have escaped them in the past when they relied upon mechanistic theories of organization. This allows managers to capture that which has evaded them:

Maybe the most important benefit of learning to deal with the system as a whole is that it provides a better basis for understanding what really goes on in an organization instead of feeding our natural tendency to see the organization as we believe it ought to be (Heil, Parker, and Tate, 1995: 30).

Senge adds:

Complexity can easily undermine confidence and responsibility -- as in the frequent refrain, 'It's all too complex for me,' or 'There's nothing I can do. It's the system.' Systems thinking is the antidote to this sense of helplessness that many feel as we enter the 'age of interdependence.' Systems thinking is a discipline for seeing the 'structures' that underlie complex situations, and for discerning high from low leverage change. That is, by seeing wholes we learn how to foster health. To do so, systems thinking offers a language that begins by restructuring how we think (Senge, 1994: 69).

Being architects of new systems, therefore, involves a two-step process: first,

executives adopt systems theory into their understanding of the organization, and second, this theoretical insight will show them where to intervene within the complex whole of the organization in order to redesign the work architecture to make the corporation more flexible.

This, of course, is not new, being an adaptation of contingency theory. Burns and Stalker (1961), for example, found that electronics firms exist within a turbulent environment of rapid technological development and growing markets, requiring a high degree of flexibility in terms of organizational structure and employee roles. They argued that successful adaptation depended on the ability of senior managers to interpret environmental conditions and make the proper changes to organizational systems.

ii) The second role for managers is to be **network managers**. This role is intimately connected to the capabilities of information and communication technologies. Network management refers not so much to internal integration of individuals and work teams -- that is more a matter of systems architecture -- but rather, to forging cross-corporate business alliances.

Many companies are already forming more closely knit relationships with their suppliers, distributors, retailers, and customers. And while politicians are talking about building an 'information superhighway,' some corporations are constructing their own, opening new strategic frontiers by sharing not just information but what was once considered proprietary knowledge.

As we approach the 'Big Bang of Alliances'... CEOs of successful companies are leading the way in growing networks of alliances and partnerships with other firms, creating mutual benefits for all. This means more than just developing appropriately interconnected technology systems. It means that the CEO is creating the cosmic glue,

developing the spiritual bond of mutual interest and trust that will allow intercompany systems to collapse space and time, blurring the lines of process, not just within a business, but across systems, companies, and continents (Gouillart and Kelly, 1995: 217-18).

Network management in this sense is a new type of role for corporate executives in North America, involving two types of networks. First, North American business intellectuals appear to advocate the development of a *zaibatsu*-type industrial organization where a central manufacturer oversees a network of affiliated, but independent, suppliers, distributors, and vendors. However, particularly within business restructuring literature of the mid-1990s, there is a growing discussion of alliances among transnational manufacturers who would otherwise be in direct competition with one another. Gouillart and Kelly suggest this type of network is based on a desire of corporations to learn from one another in an environment in which knowledge has become the fundamental driver of business success.

As companies develop webs of alliances, the equity perimeters between firms are becoming increasingly loose and ill-defined, making the ownership contours within industries more a relic of the past than a relevant measure of competitiveness. Consequently, the somewhat frozen, albeit rapidly thawing, structure of companies as we know them ... is bound to explode in an economic 'Big Bang.' One can envision, after the Big Bang, strings of former competitors locked in a cosmic embrace, joined together by the sharing of related sets of knowledge (Gouillart and Kelly, 1995: 206).

It is difficult to say if this is wishful thinking or a possible development in the future.

If the latter, it has the potential to become a transnational form of governance and bears observation by social scientists.

iii) The last management role within organizational redesign is the **goal-setter**.

This role is more controversial because, as some business intellectuals argue,

corporate goals should be set from below (Heil, Parker, and Tate, 1995; Peters, 1994). However, the weight of opinion at this time appears to favour direct management involvement in defining organizational goals. Collins and Porras argue that visionary companies rely upon "big hairy audacious goals" (BHAGS) to motivate employees to continually strive toward greater efforts and greater success (and greater productivity) (Collins and Porras, 1994: 94). Drucker adds: "The foundation of effective leadership is thinking through the organization's mission, defining it and establishing it, clearly and visibly. The leader sets the goals, sets the priorities, and sets and maintains the standards" (Drucker, 1993: 121). Of course, organizational managers have always been goal-setters, but what distinguishes them in the more humanistic, flexible corporation is that they say 'please'.

Ultimately leaders intent on building shared visions must be willing to continually share their personal visions. They must also be prepared to ask, 'Will you follow me?' This can be difficult. For a person who has been setting goals all through his career and simply announcing them, asking for support can make him feel very vulnerable (Senge, 1994: 215).

b. Defining Values

From the corporate culture tradition of the 1980s, business writers of the 1990s have embraced values as essential to the organization and successful corporate performance. Every strategy and organizational shift must be guided by a set of concrete, unchanging values that set a base-line for corporate decision-making at all levels. Values are the non-negotiable behaviours within the firm, as well as the "guideposts for navigating through gray areas" (Gouillart and Kelly, 1995: 46). They

express the corporate personality and should be published for everyone to see; they should be lived in everyday life, particularly by senior managers who must set an example for other employees. O'Toole (1995) summarizes much of the literature in his list of basic management values: integrity, trust, listening, and respect for followers -- together these add up to 'value-based' leadership. Each corporation should have its own elaboration of these, achieved through two management tasks.

i) **Redesigning the symbolic environment** is the first of two value-defining tasks of managers within flexible corporations. Again, drawing upon corporate culture ideas, business intellectuals suggest that executives responsible for change must create a symbolic environment which promotes values conducive to change.

The reengineering leader can demonstrate leadership through signals, symbols, and systems.

Signals are the explicit messages that the leader sends to the organization about reengineering: what it means, why we are doing it, how we are going about it, and what it will take.... *Symbols* are actions that the leader performs to reinforce the content of the signals, to demonstrate that he or she lives by his or her words.... The leader also needs to use *systems* to reinforce the reengineering message. These systems must measure and reward people's performance in ways that encourage them to attempt major change (Hammer and Champy, 1993: 105-6).

It is here that corporate culture, in its 1990s form, persists within management knowledge systems. Derived from the American stream of 1980s corporate culture, the concept entails not so much a way of describing organization but rather, a system which, like more material systems within the corporation, can be manipulated to achieve desired management outcomes. It is not something that pre-exists and needs to be harnessed, which was the Japanese-inspired view of culture; instead, it can be

created and recreated at will through a set of steps as outlined by Collins and Porras (1994: 136) (see Appendix B). They proceed to reveal the secret of 'visionary' companies as involving a combination of tight "ideological" control and an allowance of wide operating autonomy that encourages individual initiative (Collins and Porras, 1994: 137).

This finding has massive practical implications. It means that companies seeking an 'empowered' or decentralized work environment should first and foremost impose a tight ideology, screen and indoctrinate people into that ideology, eject the viruses, and give those who remain the tremendous sense of responsibility that comes with membership in an elite organization. It means getting the right actors on the stage, putting them in the right frame of mind, and then giving them the freedom to ad lib as they see fit. It means, in short, understanding that cult-like tightness around an ideology actually *enables* a company to turn people loose to experiment, change, adapt, and -- above all -- to *act* (Collins and Porras, 1994: 139).

This naked statement of almost fascist assumptions found behind the more extreme forms of culturism in management, evidences the dangers inherent in the new corporate culture rhetoric. Terms such as "screen", "indoctrinate", and "elite" indicate the exclusivity that can be part of the meaning of culture. Referring to those who do not wish to submit to corporate culture as "viruses" suggests the us/them dichotomy that legitimizes corporate rule and promotes stereotyping and rejection of difference. Few business intellectuals use such inflammatory rhetoric and yet, from a critical perspective, one cannot help but feel uncomfortable with what corporate culture has become to business intellectuals. Other writers prefer to speak of changing the environment of the corporation as involving "leading people ... inspiration, humanness, and compassion" (Heil, Parker, and Tate, 1995: 6).

However, there is still an element of constructed humanness and compassion, designed to elicit more labour from people, rather than because people deserve to be treated with respect. It is an attention to the emotional and the human for the instrumental purposes of an inhuman entity, the large-scale corporation, which has as its purpose the maximization of shareholder profits -- hardly the basis for constructing a lifeworld.

ii) **Teaching and Coaching** is the second task of managers in defining values.

Within the supportive symbolic environment, managers become facilitators of people's creativity and entrepreneurship:

Process teams, consisting of one person or many, don't need bosses; they need *coaches*. Teams ask coaches for advice. Coaches help teams solve problems. Coaches are not *in* the action, but close enough to it so they can assist the team in its work.... Managers in a reengineered company need strong interpersonal skills and have to take pride in the accomplishment of others. Such a manager is a mentor, who is there to provide resources, to answer questions, and to look out for the long-term career development of the individual. This is a different role from the one most managers have traditionally played (Hammer and Champy, 1993: 77).

Managers are more removed from the process, allowing employees to work within the flexible, learning corporation and unleash their creativity on behalf of the corporation, turning to managers for advice on how to solve problems. Disciplinary problems are not a factor in this discourse and the control functions of management are apparently no longer needed. Teaching and coaching must follow along the paths prescribed by the corporate values established in the environment-setting process.

Casting managers as teachers and coaches is an important departure in 1990s business restructuring literature. Other management approaches have attempted to

humanize leadership within firms, most notably human relations theory and the quality of working life movement, but their solutions generally involved establishing two-way communication patterns and including lower level workers on decision-making committees. Managers were not expected to coach autonomous employees; there was still an overt control hierarchy in effect. Within the flexible corporation, the rhetoric of coaching appears to provide what earlier theories could not, a democratized organization and a nurturing environment for personal growth where employees are the decision-makers, gently encouraged by manager/mentors, sharing in both the responsibility and the pleasure this entails.

c. Managers as Visionaries

This last role of managers is perhaps the most important within the discourse of the flexible corporation. All business restructuring texts exhort senior managers to become visionaries who lead corporations to a higher level of organization based around values and culture. Davidow and Malone quote a number of executives:

'In the future,' says David Luke III of Westvaco Corporation, 'nothing of any consequence will be accomplished without a vision that extends the entire length and breadth of the corporation.' Management consultant Fred G. Steingraber adds: 'The principal responsibility for fostering [the] new organizational philosophy, including seeing the future of the company along with the customer, can only come from the CEO -- from his or her values, communication, style, and way of measuring performance' (Davidow and Malone, 1992: 181).

The role of 'visionary' is intimately involved in the process of continual organization redesign, since vision implies a goal toward which the corporation is travelling through its transformations. Hammer and Champy, in discussing

reengineering, define the 'leader's' primary role to be:

... to act as a visionary and motivator. By fashioning and articulating a vision of the kind of organization that he or she wants to create, the leader invests everyone in the company with a purpose and a sense of mission. The leader must make clear to everyone that reengineering involves a serious effort that will be seen through to its end. From the leader's convictions and enthusiasm, the organization derives the spiritual energy that it needs to embark on a voyage into the unknown (Hammer and Champy, 1993: 103).

Being a visionary leader, then, involves articulating a "purpose story" that defines the leader's personal dreams and goals for the corporation, and provides a "set of ideas that gives meaning to all aspects of the leader's work" (Senge, 1994: 346). The leader must make his or her vision the shared vision of all corporate personnel, to guide the direction of change and progress within the organization. At the same time, leaders must act as role models by living up to their own visions and encouraging lower level employees to do the same, in this way, creating a "top down, cascading migration of responsibility, motivation, and commitment, down and throughout the organization" (Gouillart and Kelly, 1995: 25).

To summarize, managers, particularly senior managers, in the 1990s change from being top-down decision-makers and supervisors to being change agents, value definers, and visionaries. This seems to continue the process of abstraction involved in the redefinition of organization in the 1990s, as these roles are 'softer' roles than in the past. There is little mention of finance, marketing, quantitative decision-making models, and so on. Instead, senior managers are knowledge creators, constructing and diffusing meanings about the corporation and the means and ends of work. This shift in the functions of senior management becomes an imperative through the

discourse of change. Through linking survival to constant adaptation, a new grounding for the right to manage is produced. Corporations need leadership through the change process. Employees, and society, need people who can lead the way toward the promise of change and who can tell them what it all means. Business intellectuals offer up the corporate executive to fulfill this role.

In this process, managers shift from being controllers to being communication experts who function to capture and control the content and flow of symbolic communication. This is the purpose of corporate culture: it is a vector of power targeting the communicative action that has generally fallen outside of the sphere of formal organizational control. To fully rationalize the organization, all aspects of work and all processes of organization must be directed toward productive ends. This is especially true in an environment defined as desperately competitive, where the corporation's survival is at stake every day. To survive, corporate managers must take control of 'culture' -- symbolic meanings and the processes by which they are communicated -- and direct them toward greater productivity. They must convert the corporation into a lifeworld with its own values, its own society, its own symbols, which harness the whole employee to the efforts of the corporation.

The various elements of management found in business restructuring literature are not new and can be found as prescriptions and practices throughout the history of industrial organization. The particular combination of these factors within a relatively coherent management program is new, however, and it is significant that it has emerged at this particular historical moment. Keith Grint (1994) suggests its

popularity must be found in its resonance with the post-industrial sociocultural climate of the 1990s.⁵⁴ He argues that it is a successful management discourse because it provides an explanation for current political and economic developments in global and local economies. It places the blame on the Asian 'other' but also suggests that conditions are well-suited to an American resurgence (Grint, 1994: 194). American culture is especially suited to reengineering because of its lack of commitment to historical tradition. As well, transnational corporations provide a social and political context for surviving chaotic change because of their flexibility in comparison to nation-states. Grint argues that TNCs are becoming like Machiavellian 'princes' in the global power field, using employees and customers as clients, in a patron-client political system, to successfully compete through a politics of contingency. Within this chaotic and contingent context, radical organizational change is legitimized by the failure of earlier forms. Change must be in a particular direction, however, and that is a return to a past which is distant enough to be described in utopian terms. 'This model of the past is the mythic laissez-faire history of early American entrepreneurialism.'⁵⁵

Grint accurately points out the source of reengineering and new managerialism in the problem-setting discourse of chaos. Through business restructuring literature, the new corporate managers announce their own necessity, elaborating the failings of old management in the face of chaos, and promising salvation by linking the fortunes of the manager, the corporation, and the nation. Managers can rescue the situation for the United States by rejecting the old mentality of the 'organization man' and

becoming 'leaders'.

4. Leadership and Vision: The New Basis of Authority

There are two particular facets to the discourse of management in 1990s business restructuring literature that differ from earlier management theories. First is the perspective on what constitutes leadership. Second is the role of 'vision' in defining organizational purposes and in legitimating the authority of leaders.

a. Leadership: The End of the Organization Man

A number of processes are at work in this redefinition of the qualities and roles of managers in the flexible corporation. First, the term 'manager' has been virtually eliminated from the genre. Instead, business intellectuals now refer to 'leaders' and 'leadership' when discussing organizational control and system-maintenance functions. What does this discursive change mean?

'Management' is a tainted term within the discourse of flexibility. It implies control, calculation, and planning from a centralized and hierarchical position. It suggests that processes and events can be apprehended, encapsulated, and directed along pre-planned pathways. It belies the existence of chaos and complex systems which operate according to their own inscrutable, built-in principles to which one can only hope to adapt, rather than control, through centralized knowledge and planning. Within business restructuring texts, both organizations and individual employees are written as autonomous, self-directed systems responding to environmental feedback.

Therefore, the control function of management is no longer necessary.

This is an extension of a process of managerial abstraction that has been underway within the workplace since the introduction of the assembly line. As Edwards (1979) points out, the assembly line transformed an explicit authority relationship between worker and supervisor into a partially hidden one. Rather than the supervisor having to tell the worker how hard or fast to work and having to address the question of 'by what right' the supervisor has such control, the movement in the line accomplished the regulation of employee effort. Consequently, the functional relationship between worker and manager changed. The assembly line subjected the body of the worker to an extension of itself. Although authority and explicit power kept the worker at his or her station and although it was the corporation's decision to design the work process in this way, the relationship to the supervisor could change. Through training, workers could match the pace of the line, requiring less supervision to keep them productive. Therefore, supervisors could be on the side of the worker, encouraging his or her complicity in the automatic, faceless system that controlled him or her. New forms of resistance could arise, but were also made less effective by worker complicity and new forms of surveillance. Piece-rate payments and worker participation programs extended the model throughout the twentieth century (Burawoy, 1979).

In the 1990s, this process of rendering management invisible continues through the various programs recommended by business intellectuals. The foundation of management has shifted from the material systems of production to the inner

processes of identity-formation and meaning production. It is an intensification of technologies of commitment to organizational processes and goals through the incorporation of these goals into the identity-formation process. The discourse of leadership is a part of this intensification because it further implicates employees into an organizational framework that is still a controlling framework. It makes the corporation appear to be a hierarchyless social formation where people are free to work creatively on their own terms. Leaders are apparently there to counsel, advise, and teach, but not to control. Control is still present, but is built into the content of organization rather than its form, and the right to control is a right given by 'merit' rather than position in a structure.

Leadership is legitimated as a mode of authority in a number of ways. It is based upon a continual return to a myth of the survival of the unfit, rather than the fittest. It is a generic characteristic of business restructuring texts that they begin by denouncing the continued survival of bureaucratic forms and proceed to set out principles by which they can be dismantled and replaced by flexible forms.

Bureaucracy and bureaucrats are defined as "throwaways", things that have outlived their usefulness and now must be discarded. Watkins (1993) argues that within post-industrial societies, the imperative of technological progress has been transferred to the social realm, leading to a new coding of social positioning based upon constant change and the ability of individuals and groups to adapt to that change. Within this conception of social positioning, those who are no longer productive but who continue to survive are a risk:

Survivals are relics, throwaways, isolated groups of the population who haven't moved with the times, and who now litter the social landscape and require the moral attention of cleanup crews, the containing apparatus of police and prisons, the financial drain of 'safety nets', the immense maintenance bureaucracies of the state (Watkins, 1993: 3).

Bureaucracy, whether state or corporate, is a throwaway, and it is part of the task of new corporate 'leaders' to act as a cleanup crew, removing bureaucracy and replacing it with the decentralized flexible organization.

A second ground for legitimating leadership while delegitimizing management is the manner in which leadership is constructed as an all-inclusive category.

For too long, being a leader has meant occupying a certain box on the company's organizational chart. In the future, the charts and the boxes may not exist in any recognizable form. No one will be exempt. Every person must be willing and able to lead some part of the change effort. Front-line employees will be expected to lead improvement efforts. They will help design and implement the continual re-engineering of delivery processes. They will be called upon to participate in almost every aspect of creating and governing the system in which they work (Heil, Parker, and Tate, 1995: 7).

Leadership implicates everyone. Everyone can be a leader but not everyone can be a manager; it is a more exclusive, hierarchical club, based upon professional qualifications which not everyone possesses. There is always something which a given individual can lead. However, organizational leadership is more than this. Some people possess a special talent for leadership which is a requisite characteristic for senior managers.

We define a leader not as someone who makes other people *do* what he or she wants, but as someone who makes them *want* what he or she wants. A leader doesn't coerce people into change that they resist. A leader articulates a vision and persuades people that they want to become part of it, so that they willingly, even enthusiastically, accept the distress that accompanies its realization (Hammer and Champy,

1993: 105).

Leaders are those who are able to gain followers.

Third, leadership is future-oriented and change-oriented, involving vision and values that, if effectively communicated, will be internalized by the corporate staff and become the basis for a new ethic of work where people will willingly change, even at risk to their own interests. Commitment is not so much to the organization, but to the vision itself. This is the primary effect of the redefinition of management as leadership -- whereas managers act upon what is, leaders point toward what will be and should be. Managers are present-oriented; leaders are future-oriented. They lead *toward* something within an unstable, unknowable environment. If corporate executives are to be meaning-makers, they must be leaders, pointing the way toward some kind of meaning amidst the chaos of global markets, perpetual reorganization, and unstable employment. We cannot be managed through the perpetual change of the end of the millennium, we must be led through it.

b. Vision: The Post-Culture Corporation

It is somewhat inaccurate to speak of 'culture' in the discourse of flexibility in the 1990s. Culture has all but disappeared from the language of business intellectuals. Unlike the term 'management', however, it has not been erased from the discourse but rather, is taken for granted and backgrounded. As well, certain elements of culture, as used in the 1980s, have been removed from the discourse while other elements have remained, with a resulting redefinition of culture. In the

1990s, the central place once occupied by culture is now occupied by 'vision'.

Within the discursive formation of flexibility, culture becomes a risk in some respects, largely because of its communal connotations. Anthony Cohen (1986), a cultural anthropologist, points out that the symbolic construction of community is a relational concept, with community generally defined in opposition to other communities or social entities. Relationships with other communities are expressed through the establishment of symbolically constructed boundaries. Public acknowledgement of these symbolic constructions helps to register them with members' experience. Rituals provide social markers for boundaries and identify the community of meaning within the 'perimeter'. These communities of meaning symbolize the past, and then create from it classifications and identities as a basis for a response to the present.

To the extent that corporate culture discourse attempts to establish a type of communalism within corporations, it contains certain contradictions that must be managed. First, in the 1990s, business intellectuals and executives do not wish to focus on the past. Whereas earlier corporate culture discourse attempted to celebrate example-setting corporate 'heroes' from the past, such role models may now be harmful because of changing circumstances. People need to be adaptable rather than modelling themselves upon people from the past. Second, culture, in its original Japanese formulation, is similar to human relations theory by positing fulfillment through group belongingness. Business discourse of the 1990s seeks to define the benefit of corporate work to be self-fulfillment distinct and independent from group

membership. People work within teams but the reward is individual. Integration happens through shared belief and commitment, processes that are internal to the subject, rather than through group identity. In this way, employees are individualized and regulated as individuals rather than as a larger population. Third, given the growing emphasis on creating networks with suppliers, distributors, vendors, and customers, as well as partnerships with other corporate networks within the same industry, corporations may no longer wish to define themselves as communities by focusing on those cultural aspects that make each corporate community unique. In the future, business intellectuals will emphasize that which different corporations share in common, while continuing to give a nod to the uniqueness of each corporation.

Within this context of meaning, it becomes important to downplay certain aspects of culture discourse, but a means must still be found to motivate employees toward corporate objectives and the means that has been developed is 'vision'. Like the discourse of leadership, vision is future, rather than present, oriented. Culture is an existing force made up of concrete, manipulable elements of ritual and symbol; it is a means. Vision is a picture of a goal to be achieved, an aspiration toward which people can aspire; it is an end. Leaders generate visions to drive employees toward a goal but the vision cannot be simply personal. The primary task of a leader is to transform a personal vision into a shared vision through the process of 'dialogue' (see chapter 8). Senge points out a number of purposes behind the creation of a vision:

- i) it "uplifts people's aspirations. Work becomes part of pursuing a larger purpose embodied in the organization's products or services";
- ii) it creates the "spark" that lifts an organization out of the mundane;

- iii) it changes people's relationships with the company by transforming it from 'their' company to 'our' company. "It creates a common identity";
- iv) it is necessary for the learning process, providing a motivation and direction for learning;
- v) it fosters risk-taking and experimentation by pointing out what needs to be done and encouraging people to go ahead and try to do it;
- vi) lastly, it fosters long-term commitment (Senge, 1994: 207-8).

5. The Crises of Charisma and Contingency

Leaders within the discourse of flexibility are people with certain personal abilities, specifically, entrepreneurial talent, combined with the ability to convince others to share the leader's vision. There are, however, certain perils inherent to this view of leadership, particularly the threat of charisma. In his classic treatment of charismatic leadership, Weber suggests that it tends to involve a conflation of the present and future in the past. Visions of corporate glory offered by senior managers in the flexible corporation often seem to share this combination of future and past, and it is the role of the visionary leader to lead his followers there.⁶ The emphasis placed upon leadership centred around vision conjures the spectre of charismatic authority in the flexible corporation. Business intellectuals are aware of the charismatic implications of their characterization of the leader, and go to great lengths to attempt to downplay and counteract the role of charisma.

In this way, they exhibit a certain discomfort over their discursive creation; they are not entirely at ease with the implications of the destruction of bureaucracy.

Through its legal-rational rules and procedures, bureaucracy had the ability to counteract the importation of affective rationales from other institutional realms (kinship, friendship, etc.). It ideally limited the actions of people at all levels of the organization through specific rules of conduct. With the loss of bureaucracy, the way is open for a certain subjective capriciousness of command, an infection of contingent, non-rational bases for decision-making by visionary leaders and employee practice based upon the will of the leader rather than the objectives of the corporation. This is an implication that will not go away; as managers work to eliminate structural limitations on their power, they open the organization up to their unfettered discretion.⁵⁷ The question then becomes, who will teach the leaders and, of course, business intellectuals offer themselves up as the organic intellectuals who will show the way, primarily through advocating a values-oriented approach.

Business intellectuals see managerial contingency as a threat to their vision of the loosely-connected corporate community and to employee loyalty, because it implies value-less decision-making. If employees are to be linked through a common type of subjectivity, there must be a basic set of shared values which form the basis of this community. Here, the writers reveal the extent to which business thinking is still based upon functionalist assumptions. To them, values are the basis of social organization and must be upheld at all costs. This is how managers can reinstate themselves as the rightful controllers of organizations; as definers, communicators, and enforcers of values, managers assume a central role in organizations during a time when values are disappearing in the outside world. However, as definers of

values and visions, senior managers threaten to become charismatic 'heroes'.

Weber's analysis of charisma as a mode of authority remains the premiere work in this area:

Charismatic authority rests on the affectual and personal devotion of the follower to the lord and his gifts of grace (charisma). They comprise especially magical abilities, revelations of heroism, power of the mind and of speech. The eternally new, the non-routine, the unheard of and the emotional rapture from it are sources of personal devotion. The purest types are the rule of the prophet, the warrior hero, the great demagogue. The body politic consists in the communal relationship of a religious group or following. The person in command is typically the 'leader'; he is obeyed by the 'disciple.' Obedience is given exclusively to the leader as a person, for the sake of his non-routine qualities, not because of enacted position or traditional dignity. Therefore obedience is forthcoming only so long as people ascribe these qualities to him, that is, so long as his charisma is proven by evidence. His rule falls if he is 'forsaken' by his god or deprived of his heroic strength, or if the masses lose faith in his leadership capacity (Weber, 1961: 10-11).

Weber's description is uncannily compatible with the language of business restructuring literature. The 'leader' who is a "prophet", a "warrior hero", or a "great demagogue" is the object of obedience. His authority rests upon the devotion of his followers granted by virtue of his "revelations of heroism". Followers gain "emotional rapture" from experience of "the eternally new, the non-routine, and the unheard of". Ultimately, "obedience is given exclusively to the leader as a person". Heil, Parker, and Tate conclude their book by stating:

It's no coincidence that these characteristics [change agent, visionary, values-driven, persistent, participative, and creative] are one and the same with those of the effective leader of tomorrow's organization ... And, that in the days and years to come, that they, that we, can all be heroes -- to those we work with, to our loyal customers, and to ourselves. For the leader as hero is no mythical figure to be viewed with awe, but a contemporary thinker and doer confident in the face of uncertainty and unafraid to take on the challenge of change in the

inescapably human and complex structure that is today's organization (Heil, Parker, and Tate, 1995: 261-262).

Most business intellectuals fear the non-rationalizing effects of authority based on this 'heroism'. Drucker, for example, devotes a chapter to criticizing any tendencies toward charismatic leadership in the current period of corporate reorganization, warning that

... effective leadership doesn't depend on charisma. Dwight Eisenhower, George Marshall, and Harry Truman were singularly effective leaders, yet none possessed any more charisma than a dead mackerel. Nor did Konrad Adenauer, the chancellor who rebuilt West Germany after World War II.... Indeed, charisma becomes the undoing of leaders. It makes them inflexible, convinced of their own infallibility, unable to change (Drucker, 1993a: 120).

He cites as examples of charismatic leaders, Stalin, Hitler, and Mao (Drucker, 1993a: 120).

Senge warns against the view of leaders as heroes:

Our traditional views of leaders -- as special people who set the direction, make the key decisions, and energize the troops -- are deeply rooted in an individualistic and nonsystemic worldview. Especially in the West, leaders are *heroes* -- great men (and occasionally women) who 'rise to the fore' in times of crises.... So long as such myths prevail, they reinforce a focus on short-term events and charismatic heroes rather than on systemic forces and collective learning. At its heart, the traditional view of leadership is based on assumptions of people's powerlessness, their lack of personal vision and inability to master the forces of change, deficits which can be remedied only by a few great leaders (Senge, 1994: 340).

Senge points out a number of problems with charisma. First, it is premised upon a non-systemic world-view that could lead to organizational functioning not based upon rational decision. Second, it is non-democratic in that it replaces widespread learning with dependence upon a single individual who is responsible for learning.

Collins and Porras distinguish between different types of visionaries in exhorting corporate executives to avoid charismatic leadership:

If you're involved in building and managing a company, we're asking you to think less in terms of being a brilliant product visionary or seeking the personality characteristics of charismatic leadership, and to think more in terms of being an *organizational* visionary and building the characteristics of a visionary company (Collins and Porras, 1994: 41).

The authors illustrate their point by comparing the political systems of eighteenth century Europe to that of revolutionary America:

Thomas Jefferson, James Madison, and John Adams were not charismatic visionary leaders in the 'it all depends on me' mode. No, they were organizational visionaries. They created a constitution to which they and all future leaders would be subservient. They focused on building a country. They rejected the good-king model. They took an architectural approach (Collins and Porras, 1993: 42).

They suggest two mechanisms for counteracting the problems posed by charismatic leaders. First:

Corporations regularly face the dilemma of how to maintain momentum after the departure of highly energetic leaders (often founders). We saw the 'postheroic leader stall' at a number of comparison companies in our study ... We didn't see this pattern as much in the visionary companies ... The visionary companies offer a partial solution: Create BHAGs [big hairy audacious goals] that take a life of their own and thereby act as a stimulus through multiple generations of leadership (Collins and Porras, 1993: 107).

The second mechanism involves internal promotion:

Throughout this book, we've downplayed the role of leadership in a visionary company. Yet it would be outright wrong to state that top management doesn't matter at all. It would be naive to suggest that any random person could become CEO of a visionary company, and it would still continue to tick along in top form.... Visionary companies develop, promote, and carefully select managerial talent grown from inside the company to a greater degree than the comparison companies.

They do this as a key step in preserving the core (Collins and Porras, 1993: 173).

Collins and Porras advocate strong management development and succession planning to ensure a continuity of leadership within the firm. Internal candidates for top-level management positions will have been indoctrinated with the corporate 'ideology' and will act to preserve that ideology rather than pulling the corporation off to another track. The authors believe that this is a crucial factor separating their sample of successful companies from those less successful. In the latter, poor management development and succession planning leads to a lack of strong internal candidates for promotion and encourages a 'search for a savior' (Collins and Porras, 1993: 175).

However, the problem of charisma lingers and there has been a growing academic interest in the issue (Avolio and Bass, 1988; Boal and Bryson, 1988; Broussine and Guerrier, 1985; House, 1987; Pfeffer, 1981). Hopfl (1992), for example, uses an organizational psychology approach to measure the extent to which the meanings held by leaders within corporate cultures are shared by the led. She finds that charismatic leadership is prevalent in corporations, or, at least, charismatic performances are prevalent on the part of corporate managers. She finds that manufacture and maintenance of meaning are among the most important functions of charismatic leaders in corporations, based upon the promise of liberation through submission (Hopfl, 1992: 29). Managers themselves face great pressures to renounce, or at least subordinate, other lifeworlds that are incompatible with their vocation, and moments of doubt and questioning may be seen as backsliding (Hopfl,

1992: 29). The power of corporate culture in this situation is such that it appears to be impossible for those who wish to enter to have less than total commitment to the vision of the corporation. The occupation acquires the status of a vocation for managers and they must make the necessary conciliation with conflicting lifeworlds. Charismatic leaders are the mediators in this process, working to achieve a social order within the firm based around the vision of the executive.

6. The Persistence of Tradition

One last point of critique I wish to raise involves attempts to erase past management traditions of control from business discourse. Much is written out of business restructuring literature, largely because of the assumptions of business intellectuals about the nature of organizations and the nature of the problems they face. Because organization is assumed to be a unitary community with shared values, because employees are assumed to be naturally entrepreneurial and naturally inclined to learn from feedback, and because the market is assumed to be the ethical basis for social organization, business writers develop a perspective on the feasibility of organizational change based on choice theory. People can rationally assess the desirability of a shift toward organizational and personal flexibility and can collectively and rationally choose to make the necessary changes. The transition will be difficult but, through proper leadership, it can be achieved.

Stepping outside of these management assumptions, however, and consulting social science literature as a counter-knowledge to these claims, one finds that those

elements that have been written out of the business restructuring genre intrude into the change process to disrupt it in practice. Social science research suggests a fundamental misapprehension of culture on the part of business intellectuals, arguing that internal organizational relations are highly dependent on on-going situational factors and cannot be reengineered by leaders.

There are a number of sites in which organizational tradition continues to intrude upon the change process. Fortado (1994) describes the types of informal management control strategies which he observed during ethnographic research, including: degradation; stigmatization; labelling of deviants; spying; use of arbitrary punishment to 'shake up the troops'; and discouraging complaints with excuses, stalling tactics, or coercion. Other empirical evidence suggests that managerial power has been too often described in terms of the formal sanctions that can be invoked from a hierarchical position. Business writers take this perspective and use it as one of their main critiques of bureaucracy. However, as Fortado shows, this view obfuscates the informal and symbolic means supervisors use to assert control. He proceeds to speculate that organizational change in the 1980s and 1990s may have instigated a wave of aggressive informal control measures within corporations although this is difficult to substantiate because of a lack of research to date.⁵⁸

A number of researchers continue to find sexist patterns of interaction within organizations as well (Calas and Smircich, 1992; Newman, 1991; Pringle, 1988). Mills (1992) locates the gendered relations of work in the cultural process of gendered identity formation, particularly around work roles. Clarke and Newman (1993) argue

that the rhetoric of business restructuring literature does nothing to change this cultural pattern. alternately describing the new chaotic corporate environment as a deadly jungle and as a caring nurturing environment. In terms of the latter characterization, although it implies the injection of feminine qualities into the workplace, these qualities are framed in such a way that they can be learned by men and, therefore, there is still no need for women in the ranks of management (Clarke and Newman, 1993: 431).

Mueller (1994) observes the persistence of traditional management practices within restructured firms. After studying reengineered Ford and GM engine plants in a number of European countries, he concludes:

Companies design teamwork not according to a best model, but according to their objectives, which in turn are shaped by management style, employee relations, company traditions, i.e. their internal firm-specific resources. Thus, only in the exceptional case will the team model as known from Japanese transplant operations be adopted without significant modifications by established manufacturers (Mueller, 1994: 399).

Golding (1991) observes that reinforcement of the chain of command in corporations occurs largely through periodic enforcement of preferred definitions of the situation. Business intellectuals are correct in asserting the importance of symbolic processes in facilitating command and order within the firm but Golding observes the ritualistic means by which control is practised and implicitly questions the extent to which a 'bottom-up' change strategy is possible within corporations and the extent to which managers are willing to shift their knowledge and practice concerning organizational power. Golding identifies a number of types of control

rituals ubiquitous in organizations: secrecy, distinctiveness, oppression, and intimidation. He concludes that these are a non-reflective part of everyday practice, involved in solving the repetitive problems of control within firms.

These are just a few examples of the vast amount of social science research into ongoing processes of control in organizations. The point is that a shift to flexibility does not necessarily entail the end of hierarchical control within firms, at least at the informal level. Employees will continue to be subject to coercive practices of overt control, indicating a point of contradiction in business restructuring texts. This is a serious flaw that will ultimately undermine their project. In their desire to cast the corporation as a democratic, market-based institution, and to redefine and 'humanize' corporate leaders, they have elided issues of overt control and, consequently, have neglected to theorize power. This is the effect of drawing upon both cybernetic technology and utopian images of the past to represent post-industrial organizations and subjects: the myths of technology and of the past often omit the power relations embedded within them. However, as social science research suggests, the experience of work does not reflect the changing discourse of organization. In the end, business intellectuals' prescriptions of management and organizational change are wishful thinking, the utopian dreams of business leaders and those who legitimate their positions of authority within the social power field.

7. Summary

Within 1990s business restructuring literature, there is a shift from traditional

bureaucratic management roles, particularly control functions, to a new set of roles centred on communication of meaning. These roles, although not entirely new, take on an added significance because of the apparent erasure of control and because of the emphasis placed on meaning-making. They include: continuous organization redesign, defining values, and acting as visionaries. Redefinition of management roles follows from a new rationale for the right to manage. Whereas bureaucratic managers held authority by reference to professionalism and expertise, flexible managers are the sort of entrepreneurs needed to lead corporations and society toward beneficial competitive change. Thus, managers become visionary leaders, wise men, and perhaps women, who destroy the fetters imposed by bureaucracy, involve everyone in flexible change, and coax people into commitment to enhanced productivity, entrepreneurship, and self-fulfillment. Through their effort, society will be saved from the risks of post-industrialism and globalization, justifying business intellectuals' faith that the corporation is the proper model for all social institutions.

The discourse of leadership, as set out by business intellectuals, involves certain contradictions that indicate points of rupture. Because leadership is now based upon a personal quality -- entrepreneurship combined with a talent for converting personal vision into shared vision -- the risk of charismatic leadership appears and threatens the rationalizing efforts of flexibility discourse. Also, social science research suggests that despite the absence of tradition from the flexibility discourse, traditional patterns of informal management control persist within corporations. Together, charisma and control threaten to undermine the utopian lifeworld of

flexibility discourse, bringing issues of power and conflict back into the organization.

XI. Conclusion: From Flexible Organization to Flexible Society

In this final chapter, I wish to summarize, in a general way, some of the findings and conclusions I have reached through my reading of business restructuring texts, discuss what they mean, and reflect upon the social impact of the knowledge system produced through the discourse of flexibility. This discourse, as I have pointed out, has implications far beyond corporate boundaries and is, I argue, achieving the status of a paradigm for understanding social reality in post-industrial North America. It is a discursive formation that occurs across a broad spectrum of institutional sites as it continues to colonize cultural visions of the present and future of social organization.

1. An Overview of the Flexibility Discourse

There are a number of ways to characterize business restructuring literature in the 1990s and I have chosen to read it as a literature which produces discourses of governmental effect. Throughout this thesis, I have tended to concentrate on the corporate sphere and the effects of flexibility on the meanings generated therein. In this context, discussions of flexibility begin with a critique of the 'straw man' of bureaucracy, which is set up by current business intellectuals in order to be torn down according to the questions and concerns of flexibility. This is a part of the framing process by which business intellectuals set the problems of business. Before advocating flexibility, business intellectuals must first establish the need to intervene

in organization as a field of management.

What is wrong with bureaucracy? Primarily, it cannot adequately address the chaotic environment of global competition. According to business intellectuals, the current business climate involves three major variables that demand change: a chaotic marketplace where demand is constantly shifting; exponentially increasing levels of competition from competitors around the globe; and entrepreneurial customers who have rejected the mass markets of the previous era and instead, demand personalized, customized service. The constant element among these factors is changeability. Bureaucratic businesses of the past are assumed to have existed in a state of relative stability but are too rigid to survive in the present. Therefore, the survival imperative demands adoption of a more flexible structure, and flexibility becomes the discursive manner in which the problem of current business is framed.

How is flexibility to be implemented into corporate organization?

Bureaucracy, as a form of organization, is directed at the subordination of the labouring body to the goals of the organization through chains of overt command. This is no longer enough to ensure competitive success. This was one of the problems that formed the basis for the emergence of corporate culture literature in the 1980s; business intellectuals, in analyzing how to improve productivity in the face of the Japanese and European threats, sought new areas to serve as bases for extracting higher levels of productivity from employees. Observing Japanese methods of organization, they concluded that the intangibles of organization, the cultural values, meanings, and beliefs, could be manipulated to direct the inner selves of employees

along corporate-prescribed paths. American business intellectuals translated notions of culture into a more material, cybernetic process of feedback and adaptive response, a perspective on culture which persists into the 1990s.

In fact, the cybernetic model has colonized management thought about organizational processes at a number of levels, and flexibility can be read as an application of cybernetics to organizational problems. This is not new to organizational thought but its combination with other discourses is new. It has become a metaprinciple for all types of organization from the self to society. Within the discourses of business intellectuals, social subjects, organizations, and society in general all operate along the same principles of feedback and response. It is a universal principle for the organization of all active systems.

Given the need for flexibility and given that it is a universal principle of operation, how does this perspective become the basis for governance within corporations and society? Within business restructuring literature, there are three major discourses that frame flexibility as a governmental discourse: entrepreneurship, learning, and decentralizing. These are discursive categories which attribute certain meanings to the social subject in the case of the first two, and the organization in the case of the last. Subjectivity and organization are inextricably tied together, especially within the flexible organization where organizational form, as well as content, is to be internalized by the employee. It is here, in these three discourses, that control enters back into the discursive formation of flexibility, despite its absence from the surface rhetoric.

Entrepreneurship is a much-emphasized element of flexibility. Business intellectuals, in common with neo-liberal political intellectuals and politicians, define all social subjects as naturally entrepreneurial. People are born to be entrepreneurs but the drive for financial success is muted by the welfare culture within which North Americans have been raised. However, in an era where bureaucracy, as an embodiment of welfarism, is disappearing, enterprise can bloom once again, with a resulting reuniting of work and pleasure in the form of creativity, empowerment through delegation of decision-making authority, and self-fulfillment through the experience of the spiritual qualities of creative work.

At the level of governance, however, entrepreneurship as a discourse contains certain control elements embedded within it. Enterprise is a universalizing discourse which denies plurality of organizational forms. It attributes the same motivations to everyone -- women and men, CEOs and assembly line workers, Euro-Americans and African Americans. Flexibility, then, denies difference. It is a reactive discourse which seeks universal application, thus hiding its own contradictions and absences to control meaning. Entrepreneurship defines diversity among social subjects as a problem of access to markets rather than, in part, a process of politics and domination. The self is an enterprise measured in terms of market success. As Foucault points out, entrepreneurial discourse is part of a governmental process which seeks to minimize the political power of the social subject and maximize his or her economic/productive power. It also acts as a means of coding subjects into social positions on the basis of their entrepreneurial tendencies.

Having defined the social subject as an entrepreneur, a means must be found to bridge the contradiction between entrepreneurial autonomy on the one hand and subordination to corporate goals on the other. This is accomplished through the discourse of 'learning' which casts the employee as automatically entrepreneurial but programmable. This is where the cybernetic basis of flexibility discourse enters into definitions of the social subject. Within business restructuring discourse, entrepreneurship means rapid adaptation to changing circumstances in order to continue producing value. Carrying on with the cybernetic model, business intellectuals define the employee as programmable, rendering him or her amenable to corporate goals.

Programs come in the form of a set of values and value-oriented practices which tie the employee to the organization. These are spoken of in highly 'spiritual' terms linking corporate goals to inner growth and self-fulfillment. Within the discourse: financial gain leads to personal development; labour contracts are replaced by covenants of shared values; work teams act as a site for socialization into corporate values as well as a space for confessing inner thoughts and beliefs which may not cohere with corporate values; politics disappears along with bureaucratic hierarchy. Through practices such as these, the organizational subject is disciplined into a particular type of subjectivity motivated by business concerns over productivity and value-creation.

The practice of programmability extends beyond the level of the subject to the organization itself. Business intellectuals describe flexible organization based on a

model of information technology. There are two processes at work here. First, information technology allows for faster processing of information and gives priority to informational aspects of organization. Business intellectuals are operating at this level when they refer to organizations as information processing machines; they are drawing upon a metaphor to construct a model. The second process occurs at the level of discourse and involves a representation of organization, rather than a metaphor, that shifts the very meaning of organization. This representation begins by casting organization as based around an ubiquitous electronic text which operates to make organizational content visible while abstracting the form of organization, making it less visible, and perhaps, ultimately invisible or 'virtual'.

The electronic text which forms the basis for representing organization, and which becomes the primary medium of work, allows for a decentralization of organization, simultaneously rendering organization cost effective and giving it the appearance of functioning according to non-authoritarian principles. However, semi-autonomous work teams raise, once again, the problem of agency and control of the direction of effort. In response to this problem, business intellectuals advocate a set of techniques of control which discipline employees along corporate prescribed paths including: increased customer control of product development, the elimination of job security, new measures for rewarding effort, and the imposition of internal markets. Ideally, through application of these processes, employees will be managed through the processes that flow from corporate systems rather than through supervisory personnel.

Within this changed organizational context, the roles of managers change from controllers of labourers to creators and communicators of meanings. Corporate managers have always been, to some extent, experts in the manipulation of subjectivity (even as they themselves are constructed subjects), but this becomes their overriding priority within the flexible corporation. The rationale for the continued existence of management within the flexible corporation must necessarily shift away from claims of professionalism and expertise. These attributes are no longer the sole basis for promotion and authority; rather, people become managers because of a talent for management, combined with the proper entrepreneurial orientation. Only people such as these can lead corporations, and societies, through the chaotic perils of the global economy into a future of competition and continuous change. Managerial authority now rests on visionary leadership, the ability to inspire people to the feats of flexibility necessary for survival and self-fulfillment. However, because leadership is now based upon personal qualities rather than learned skills, the prospect of non-rational, charismatic leadership becomes a problem which business intellectuals are hard-pressed to address.

2. Flexibility: A New Form of Control

What does this particular knowledge system mean and why is it of importance for critical sociologists? Flexibility discourse can, and should, be read as a reworking of forms of control. The absence of control on the surface of the texts and the preoccupation of business intellectuals with 'psychological contracts', new 'covenants'

between corporations and employees, new forms of team organization that can operationalize autonomy, and new definitions of the social subject that clearly reject definitions held by the previous generation, all point to a concern with issues of control that persist in intruding upon business restructuring texts. Employing Habermas' terminology, one might say that in a sense, the lifeworld/system world binary is overturned; flexible organization is discussed by business intellectuals as though the direction of colonization has been reversed and the lifeworld is now shaping the system world. Consequently, rationalization has been reversed and organization is becoming more 'human' and less machine-like. Flexibility is presented as a remedy to the autocracy of past organizational forms and constitutes a field of almost utopian pleasures. In this way, it tends to undermine traditional sociological critique which analyzes organizational power and control in terms of its rationalizing and alienating effects.

In this thesis, I have argued, however, that upon close examination of flexibility discourse, corporate claims of democratization and autonomy do not stand up. Flexibility is a continuation of the modernist project in the sense of continuing to seek enhanced means of technical efficiency of organizational processes and continuing to define the subject as motivated by reason, directed toward apprehending an objective reality which can be manipulated. In effect, flexibility is a social theory which describes the social subject, the basis for social organization, and the forces that bring about organizational and social change. Like other theories, it has a conception of social power which operates through the disciplinary effects of

entrepreneurship, learning, and decentralizing.

Control functions on a number of levels within flexibility discourse. As Cooper and Burrell (1988) point out, the primary discursive operation of control is to elide difference and elevate sameness. By asserting flexibility as a universal form of organization, business intellectuals control the meanings of organizational processes and deny the possibility of a plurality of organizational rationales. This is where business intellectuals depart from postmodernists who sometimes use similar language to describe the social flux of post-industrial societies. Business intellectuals deny difference and indeterminacy of meaning and assert sameness in terms of organizational functioning in all social institutions. This is accomplished textually through the process of 'inscription' by which business writers take a prior model and apply it as a template to a new set of facts to produce knowledge consistent with their expectations and control interests. The case study method, in which business writers examine a number of successful corporations and find common practices in each, is the primary operationalization of inscription in the business restructuring genre. The result is a uniform approach to questions of organization, and implicitly, a uniform approach to control.

a. Control of Organizations

I have examined the issue of control of organization within flexibility discourse in terms of 'authority' and 'technique'. The discourse changes the basis of authority from professionalism to a more complex combination of professionalism,

entrepreneurial qualities, and visionary abilities. From this redefinition comes the conception of the 'leader' as coach, teacher, advisor, and visionary rather than controller. The problem here is that, as Foucault points out, there is more to power than material techniques. Power manifests through discourse, which emerges out of the conjunction of power and knowledge. Through the process of knowledge definition from a privileged position, business intellectuals, as a node in the social power field, exercise power through their definitions of organization. From this perspective, control, as a channelling of management power, enters organization through disciplinary discourses. In other words, even though central managers may not be as closely involved in day-to-day, explicit control and decision-making, they are still firmly in control of defining the means and ends of corporations. As well, flexible leadership is based more on personal qualities than on promotions earned through education and experience and regulated by formal rules. Consequently, even in its ideal form, flexible organization does not place control of the organization in the hands of its employees and, therefore, a basis for alienation remains.

In terms of technique, flexibility discourse removes explicit technologies of control, such as supervisory hierarchies and elaborate reporting structures, but transplants them to implicit control mechanisms that cannot be identified with any particular individual or group. This is why current sociological critique directed toward the electronic panopticism of the computerized firm may be looking in the wrong direction. This is not to say that panopticism does not exist as a technique of control, but it is not the primary technology of control. The importance of the

computer is not electronic surveillance, nor even productivity enhancement, but rather, as a *model* of organizational functioning. It is a representation which abstracts and codifies organizational structures and subjects, thereby reducing them to something more easily managed. This manageability, combined with panopticism, is what allows the decentralization of organizations into teams.

b. Control of the Organizational Subject

The first element of note in business intellectuals' definition of the social subject is their reproduction of the neo-liberal 'economic man' concept. Defining subjects as motivated by economic considerations has the effect of removing consideration of political sovereignty from flexibility discourse, contributing to the utopian tone of the literature by denying the possibility of political conflict. It also contributes to the individualization of social subjects by defining them as removed from traditional social bonds. Individuals are responsible for their own fortunes and must personalize risk. They are self-motivated entrepreneurs who must internalize corporate values if they are to achieve self-fulfillment. In this way, flexibility becomes a technology of the self, calling for self-regulation in the absence of any sort of collective support system either inside or outside of the organization.⁵⁹

Corporations have always played a significant role in this process of disciplining social subjects into particular modes of action. Throughout the nineteenth and twentieth centuries, the state has delegated disciplinary authority to private capital, and corporations have developed their own group of experts in subjectivity

and intersubjectivity. This is the primary role of business intellectuals, who operate to link the subject to the means and ends of corporations through defining, measuring, and calculating subjectivity. Within bureaucracy, subjects are defined in conjunction with overt techniques of regulated work process and explicit chains of authority. In flexible organization, overt structures of control disappear and are replaced by technologies of the self articulated through discourses of entrepreneurship and learning.

In this context, resistance becomes difficult because of the dissolution of collective bonds and a corresponding stigmatization of collectivity as a concept. At the same time, flexibility enhances market dependency and requires increased levels of individual mobility as entrepreneurs of the self seize upon opportunities as they arise, further reducing the potential for collective responses to flexible organization. This gives the appearance of acceptance of, or at least compliance to, the governmental implications of flexibility.

c. Control of the Social

Business intellectuals and other flexibility experts in other fields are becoming increasingly prominent as definers of the social landscape and the direction of change. This is true not only in media of public communication but also in governmental and corporate advisory circles. What they share in common is a particular frame of reference in defining social reality as in a state of continuous and perhaps permanent flux brought about largely through the globalization process. The effect of this

redefinition of the social is to lead to the conclusion that society must become an adaptation machine that automatically changes in response to flux, for the purpose of remaining profitable.

This observation involves two basic redefinitions of society. First, it defines corporate concerns over profitability as the overriding concern of society as a whole. Corporations now define social purpose and, in the process, position themselves as central to social governance. Centring corporations within the social sphere and redefining their social role from agents of social structure to models of social structure is a result of the business assertion that national survival depends upon the fate of corporations. In the post-industrial order and the global economy, the corporation is the only institution with the flexibility to provide an institutional basis for economic health for all citizens. Defining the market as the basis for all social, political, and economic interaction, business discourses assert that the same problems defined for corporations apply to states and populations. Therefore, the welfare state must be dismantled to unleash the entrepreneurial potential of governments and populations in the intensely competitive global arena. It is not only corporations that are in competition but also states, which must make the proper decisions to ensure the well-being of their citizens.

Second, the definition of society as constantly changeable eliminates previous models of society that were based on a utopian vision frozen in time, and replaces them with change as the primary motivation for social action. This is an extension of flexible organization discourse to encompass all of society. Like the flexible

organization model, the flexible society is based upon a 'techno-ontology' which is in turn, premised upon a computer representation. As with the flexible organization, the flexible society gives the appearance of being more human because it is no longer based upon a machine model. However, it is still a technological model motivated by concerns over efficiency. Consequently, following the logic of business intellectuals, state bureaucracy must be replaced by corporate-type flexible organization, motivated by market processes, in order to deal with the flux generated by globalization.

In the end, control within flexibility is a matter of meaning-making, reengineering cultural knowledge about the subject, the organization, and society to provide a seemingly coherent knowledge system. Like all knowledge systems, it has power effects which manifest in certain control processes and structures. What differentiates flexibility from earlier forms of control is the elision of its control implications from texts and the extent to which it embeds control within disembodied social and cultural forces that appeal to certain utopian myths about freedom, democracy, and self-fulfillment.

3. Flexibility Within Society: The Corporate Model

Flexibility discourse is important simply by virtue of its impact on the workplace in North America. Its importance extends beyond corporate boundaries, however. Partly because of the increasing centralization of corporations as models of governance, there is more to the discourse of flexibility than simply a more efficient form of organizing effort. It is, at a deeper level, a form of social governance

developed in response to the emergent risk society. Just as corporate culture writers proposed corporate organization as the basis for rejuvenating a decaying society, business intellectuals of the 1990s argue that the new form of organization should apply to other social institutions outside of business because the risks posed by globalization extend to all corners of society. The flexible organization is an ideal form for *all* social institutions. For example, Peters (1994) advocates flexibility for hospitals, prisons, and public schools. He argues that groups that have historically been marginalized, such as "women and minorities", are now in a positive position. Having been excluded from management in the past, "they are less likely to be caught up in its bureaucratic ways" (Peters, 1994: 450). They have not been corrupted by enterprise-destroying cultures of hierarchy.

Senge looks for a "synergy between productive family life and productive work life" (Senge, 1994: 311). He concludes that "[T]he values and habits learned by practising the five disciplines of a learning organization serve to nurture the family as well as the business" (Senge, 1994: 312). At a more macro level, Drucker celebrates the demise of the welfare state and the rise of the new, competitive, "knowledge society". Innovative corporations must take a leading role in social governance within this new society, setting the agenda for education:

There will -- and should -- be serious discussion of the social purpose of school education in the context of the knowledge society. That will certainly help to change the schools. In the meantime, however, the most urgent learning and training must reach out to the adults. Thus, the focus of learning will shift from schools to employers. Every employing institution will have to become a teacher (Drucker, 1993a: 336).

Since the late 1970s, business intellectuals advocating restructuring have not been concerned strictly with profit maximization through strategic planning but also with wider social governance issues involving regulation of the social subject and government of polity and economy. Flexibility discourse is consistent with the neo-liberal agenda of dissociating government institutions from social and economic governance and replacing them with systems of privatized order, primarily the corporation. In the process, different forms of discipline and risk-management emerge.

This means two things. First, as mentioned previously, society must be modelled after corporations. Second, society must be protected from its non-competitiveness. This is why schools must be run by corporations and families must be modelled after corporations. These are primary sites of socialization and people must be socialized into entrepreneurship -- a contradiction to the bold assertion that everyone is born an entrepreneur.

Concern over state and social competitiveness is not restricted to the corporate sphere. What is most noticeable about flexibility discourse is its recognizability in other social fields. As I have already suggested, it is achieving paradigmatic status as a universal form of organization and discipline. I have already discussed its application to government, most notably in the work of Osborne and Gaebler (1992) and the Gore Commission in the United States. It is also commonly employed in the writings of futurists such as Alvin Toffler, to predict and promote flexibility as a form that will encompass all areas of social organization, often replicating the language and

the optimism of business intellectuals (Toffler, 1991). Toffler currently serves as an advisor to the American neo-liberal leader, Newt Gingrich, who provides the introduction to Toffler's latest book (Toffler, 1995a). Toffler has also worked with the American military to study the application of flexibility principles to battlefield organization and tactics (Toffler, 1995b). In reference to the 1991 Gulf War, he writes:

Another feature of the Gulf War, was the high-level initiative shown by troops and civilians alike. 'The computer-driven network that fed all source intelligence to U.S. troops about to plunge across the Saudi Arabian border on February 24, 1991, did not even exist on that day, barely six months earlier, when Iraq invaded Kuwait,' says Col. Alan Campen.

It was, he explains, 'improvised ... by a group of innovators who discovered how to bend the rules, end-run the bureaucracy and exploit off-the-shelf hardware and software to get the job done, promptly' ... Similar stories from the Gulf abound. To a degree unusual in armies, initiative was welcomed -- as it increasingly is in smart, competitive firms as well (Toffler, 1995: 88).

Many of the elements of flexibility discourse are reproduced here, including entrepreneurship, learning, and decentralizing. No longer can corporations be characterized as based upon a military model. Now, the reverse is true.

In other areas as well, the language of flexibility has become pervasive. For example, the Information Highway Advisory Council of the Canadian government entitles its November, 1994 report, "Providing New Dimensions for Learning, Creativity and Entrepreneurship" (Information Highway Advisory Council, 1994). Describing the information highway as "the next step en route to the global village", the chair of the council states: "[t]he vision is to establish a network of communities

around the globe in the fullest pursuit of individual expression, creativity, learning opportunities and entrepreneurship" (Information Highway Advisory Council, 1994: 3).

In popular media, discourses of flexibility are very common. "Good Company", a situation comedy in the 1995-96 television season, is about a work team of four individuals within an advertising firm, and their humorous experiences as they work to conceptualize, plan, create, and sell advertising concepts to executives within the firm. The 11:00 p.m. CTV National News in Canada broadcasts a weekly segment entitled "Coping", about entrepreneurs who are financially successful in the poor economic climate of the 1990s. Also, the same network has recently aired a special broadcast entitled "Mavericks", sponsored by Andersen Consulting, about entrepreneurs who are succeeding in the 1990s. *The Atlantic Monthly* (November, 1994) asked Peter Drucker to describe the course of future social developments in a lengthy article entitled, "The Age of Social Transformation". In a Price Costco advertising flyer (March/April, 1996), delivered to private homes, in addition to advertising the sales available in the store, there are a number of articles about flexibility, including a debate entitled "In your opinion, is downsizing good business?", a short exhortation to adopt an entrepreneurial attitude by "Paul and Sarah Edwards: The Self-Employment Experts", an article entitled, "Red Tape to Black Ink: Does privatizing of government services create opportunities for entrepreneurs?", and an interview with Bill Gates, the founder and CEO of Microsoft. This seems decidedly odd in an advertising circular. These are just some of the

examples that abound in the popular media that reproduce the discourses found in business writing. Flexibility, then, is not simply a business discourse, nor is it intended to apply only to corporations. It can be found in a growing number of institutional sites across North American society and is becoming generally familiar.

As North American societies move into the twenty-first century, flexibility as a social paradigm is becoming a pervasive vision of the present and future. It flows from a series of power shifts in social, cultural, political, and economic fields and the redefinitions that are gaining the widest social acceptance. These involve the adoption of marketized measures for coding and disciplining social subjects and for reconceptualizing society in the unstable global situation. Market principles become the central reality of social life. Social ends disappear and people are left only with the means to be constantly economically efficient.

The image of an utopian, decentralized society of empowered individuals and teams does not stand up to close scrutiny if it is to be accomplished according to the principles of business restructuring discourse. The ultimate contradiction of flexibility is the ultimate contradiction of neo-liberalism: the lifeworld cannot be reduced to a unified market calculation. Business intellectuals, and those responsible for evaluating and prescribing in all social institutions, must be willing to recognize difference. This is the first step toward a truly humanized organization and society. For this reason, the corporation as a capitalist institution motivated by the profit imperative, cannot form the basis for a progressive society. However, as corporations come to assert

more and more governmental power in North America, the political and social conflicts engendered by the contradictions inherent to flexibility discourse will define the field of governance well into the next century.

Endnotes

Chapter 1

1. Weber (1976: 182)
2. Throughout this thesis, I refer to producers of business texts as 'business intellectuals'. This is a problematic term in many ways because it includes a variety of different types of business actors. I classify them into three types based on their relationship to corporate practice. First, *consultants* are generally people who work for consulting firms and contract with other corporations to carry out specific tasks. Second, *practitioners* are senior managers who are employed by a particular corporation and are directly involved in the day-to-day operation of the corporation. Third, *business school academics* are people employed in educational institutions which have as their purpose researching issues of organizational efficiency and operation, and teaching business practitioners and academics. What these three groups have in common is a generally non-critical approach to business in terms of internal organizational issues, market strategy issues, and issues relating to the relationship between the corporation and other social institutions. Their function, and the effect of their texts, is to evaluate approaches to organization in terms of efficiency and prescribe changes that will lead to greater efficiency. More often than not, an individual will be located in more than one of these roles, especially in the United States where business school academics are often expected to act as consultants to private industry.
3. It is interesting to note that recently, when American President Bill Clinton sought advice on leadership strategies, he met consultant Anthony Robbins, the bestselling author of a number of motivational books which advocate the application of business principles to the conduct of daily life. This incident is symbolic of a general shift in who prescribes the proper forms of organization -- corporate, governmental, and social -- within neo-liberal societies. Throughout this thesis, I argue that as the corporation becomes a paradigmatic model of all social organization, this has the effect of centring business intellectuals as prescribers of social knowledge while simultaneously displacing social scientists from that role.

Chapter 2

4. I am distinguishing here between organizational culture literature and corporate culture literature. By 'organizational culture', I mean social science writing which employs notions of culture from anthropological and other sources to

analyze the process of meaning-making and communication within organizations. By 'corporate culture', I mean practitioner writing directed at a business audience and drawing upon less theorized, largely functionalist notions of culture for the purpose of motivating managerial action.

5. Post-structuralism and postmodernism are two different, but related, movements in social science epistemology. The former is a critique of certain structuralist assumptions and a continuation of others. Three main categories of critique emerge in post-structuralist writing. First, the centred human subject of knowledge is decentred to become contingent, a product of signifying activities that are generally unconscious and culturally specific. Second, the concept of an overall pattern to history is overthrown. Third, meaning is critiqued as the signifier is promoted to a more prominent place than the signified, leading to the conclusion that there is no one-to-one correspondence between propositions and reality. From this perspective, truth is no longer within a text but rather is constructed from the interaction of reader and text.

Postmodernism is generally used in reference to a cultural movement in advanced capitalist societies which critiques binary distinctions between art and everyday life and a hierarchy of elite v. popular culture, while advocating pastiche -- the mixing of codes in a playful manner. For purposes of organization studies, the importance of postmodernism is in its critique of metanarratives and the implications of this for a plurality of organizational rationales and meanings. Within current organizational theory, little distinction is made between the terms post-structural and postmodern; they generally appear to be used interchangeably to refer to critique of metanarratives, and decentring of organizational subjects and meaning. In this thesis, I will usually refer to this approach as 'postmodern', since this is the term generally used in the literature.

6. Dorothy Smith's work differs from that of Derrida primarily in her use of class analysis to ground her conceptions of power and knowledge production. She does not decentre the subject and her analysis suggests that there is a knowable truth that is hidden by ideological processes. Derrida, on the other hand, denies a knowing subject or a knowable truth.
7. This perspective on power is well-established in traditional organization theory. For example, Peter Blau uses a similar formulation in *The Dynamics of Bureaucracy* (1955: 219).
8. The panopticon model of computer surveillance, whether defined in this way or not, has been a mainstay of critical approaches to workplace computerization for many years and continues today, with much justification,

as evidenced by Zuboff. Other writers who emphasize this characteristic of computer technology include Gill (1985), Gorz (1989), Menzies (1989), Hayes (1990), and many others.

Chapter 3

9. Anthony Giddens (1984) refutes Foucault's notion that the prison, as a 'complete and austere' institution, is the model upon which other modern institutions are based. Prison members are resident in their institution and cannot leave; this is the exception, not the rule. Generally, social members move in and out of organizations, experiencing their discipline only intermittently. Burrell points out, however, that organization is a broader discursive formation encompassing more than our workplaces. Although "we may not live in total institutions, the institutional organization of our lives is total" (Burrell, 1988: 232).
10. For purposes of analysis, I do not go as far as Derrida, who asserts that there is a system of floating signifiers which have no relation to any extra-linguistic referents.
11. Reference to "she" here is my addition. Business restructuring literature is highly masculinist and although some of the writers make a nod toward including women, the metaphors of combat and survival in a jungle-like environment are described in masculine terms that contradict any attempt to include femininity within the discourse (see Clarke and Newman, 1993).
12. Because of space considerations in this thesis, I will not describe in detail any case studies presented by business writers. Instead, I will focus on examining the lessons and generalizations which business intellectuals draw from the examples.
13. Using McHoul's work as an example is appropriate because of the similarities between policy texts and business restructuring texts. Both are evaluative and prescriptive and employ a problem-setting and problem-solving narrative format.
14. Critical sociological literature provides a means for questioning the empiricism of business writers but not because it is any more 'true' than business writing, although, like business writing, it makes truth claims. Rather, it is useful for critique because it foregrounds control and highlights absences in business discourses.

Chapter 4

15. Andrew Ross in his book *Strange Weather: Culture, Science and Technology in the Age of Limits* (1991b), suggests that prior to World War II, writing the future was largely the terrain of the left, which linked an optimism around the social progress attainable through technology with a Marxist-inspired social utopian vision. Ross suggests that there has been a decline or break in Marxist approaches to the future because of the rejection of "... the traditional Marxist historical teleology with its roots in Enlightenment faith in scientific progress through technical mastery of the natural world's resources" (Ross, 1991b: 170).

The post-War period has seen the rise of a new science, futurology, which Ross describes as "... a social systems analysis created to facilitate military and industrial planning and fully institutionalized today as an instrument for acquiring strategic military or corporate advantage" (Ross, 1991b: 170). For Ross, writers like Alvin Toffler provide the "explanatory rhetoric" for the subsequent embrace by corporate organization of discourses of flexibility in post-Fordist production.

16. Here I am referring to both discursive and extra-discursive processes of political economy, both as a method of understanding and calculating social processes and as material referents based on action.
17. Julie Kendall (1993) analyzes chairman's 'boiler plates', the chairman's message at the beginning of a corporation's annual report, to examine the narratives of self-image in American corporations in the 1970s. She finds that the corporation is cast as a the hero while a number of outside factors are villains blamed for corporate misfortune, especially the government with its regulations, and pressure groups and minority groups making large demands on the resources of the hero. Competition is deified and government restrictions are unnatural and evil. Pure competition becomes a utopian vision of a natural state.
18. According to Useem, in 1980, 173 publicly-traded companies were merged or acquired; in 1988, 462 publicly-listed firms came under new ownership (Useem, 1990: 689). Many of these firms were taken out of public trading through leveraged purchases which fused management and ownership of the firms, with the result that within these companies, "public shareholding and non-owning professional managers disappear, and corporate resources are placed under the direct decision-making control of owner-managers" (Useem, 1990: 691). Between 1976-85, a study of manufacturing firms in the U.S. found that of 2500 manufacturing firms, nearly eight percent had been taken private (Useem, 1990: 692). He interprets these statistics as significant and

indicative of a general trend underway.

19. For example, the Mont Pélérin Society, a prominent organization of well-known political and economic academics was founded in Geneva in 1947 by Robert Nozick, Friedrich Hayek, Karl Popper, and Milton Friedman, four of the foundational thinkers of neo-liberal philosophy.

Chapter 5

20. There has always been a considerable overlap among social science, practitioner, and popular business books with the result that the three types of writing have shared certain central problem setting and problem solving orientations, although expressed in the specialized language peculiar to each variety of literature. Consequently, I argue that in any given period of business writing, the three types of literature have generally promoted similar aims flowing from a shared discourse which portrays social subjects, organizations, and society in a particular way. There are exceptions of course, particularly in social science writing which often has a critical intent but even there, mainstream organization studies have shared the evaluative purposes of practitioner studies.
21. This reveals certain biases that are generally present in academic analyses of management writing. I suggest that it is partly due to something equivalent to a 'high art/low art' distinction; popular business books are not considered to be serious analyses and therefore, are not important. As to why they do not distinguish between practitioner and academic texts, arguably there was less of a distinction between the two prior to the 1980s. Mainstream academic literature and practitioner literature were concerned primarily with the same questions of theorizing organizational processes, classifying organizational types, and evaluating efficiency (see Perrow, 1972, for a discussion of pre-1980s management theory). After 1980, I argue that the development of the business restructuring genre with its emphasis on organizational change rather than organizational structure, rendered mainstream social science organization studies largely irrelevant to practitioners.
22. As well, North American MBAs were trained strictly in quantitative, technical approaches to management (see for example, Gordon and Howell, 1959), as they still are today.
23. Bauman suggests that with the decline of the governmental state, social scientists, who developed as a class to legitimize state authority in the period of state formation, are marginalized from the framing of social and cultural discourses. Bauman goes on to assert that the postmodern state no longer

requires legitimation. Instead, it maintains its position through the seduction of the consumer and the repression of those not able to consume. I disagree to some extent and argue that the state must still legitimize post-industrial forms of production and that is one of the functions of business intellectuals, who have replaced social scientists as definers of state processes (see chapter 6).

24. The findings of social science research run counter to the expectations of business consultants and business academics. Subsequent ethnographic research into organizations where organizational culture has been implemented, tends to suggest that success is, at best, mixed. Hayes (1990), provides a journalistic account of the high-tech Silicon Valley corporations, concluding that employees have neither accepted nor benefitted from organizational policies informed by the culture discourse. Arguing that organizational culture is a facet of New Right cultural engineering, he finds employees to be confused and bewildered by the contradictions between personal and corporate values. Kunda (1992) comes to a similar conclusion after conducting intensive research within a particular high-tech firm. He finds that organizational culture does not create shared meanings and a sense of community. Rather, fully-employed personnel are ambivalent as they struggle with conflicting, internalized images of self and other. Marginalized members are estranged from the organization as cultural rhetoric promises communalism while continuing to withhold full membership.

Other ethnographies have gone further to assert the impossibility of creating a unified set of cultural values. Young (1989), examines the responses of employees, within a factory, to certain events and finds that different individuals and different subcultures based on occupational interests interpret these in different ways. Gregory (1983) comes to the same conclusion. This research suggests that attempts to engineer culture within organizations have not been and cannot be completely successful. Practitioners are also conscious of this and have continued to evolve management discourses to restructure knowledge of ideal corporate functioning.

Chapter 6

25. In this, they echo New Right ideologues who critique the welfare state, in part because of its microeconomic consequences; it reduces the incentive to participate in the market (King, 1987: 17).
26. One is reminded of H.G. Wells novel, *The Shape of Things to Come* (1933) in which the world is devastated from a decades-long world war but is ultimately saved by an enlightened scientific elite which employs scientific rationality and advanced technology to create a utopian future. In particular, the treatment of

technology as a positive force for social transformation is echoed in much of the business restructuring literature, for example, Hamel and Prahalad (1994). The negative potentials of this world view are left unexplored.

27. American business writers claim the flexible corporation as a uniquely American development but, of course, it is heavily influenced by the Japanese.
28. According to the general business narrative, the shift to a buyers' market initially began in the 1970s and 1980s, "... when competitors -- many of them Japanese -- burst upon the market with lower prices combined with higher quality goods" (Hammer and Champy, 1993: 19).
29. A recent book by Kevin Kelly, *Out of Control: The New Biology of Machines, Social Systems, and the Economic Order*, summarizes the growing universality of a combination of systems theory and chaos theory as paradigm for understanding reality. Kelly argues that machines and systems (including organizations) have become so complex that they cannot be distinguished from living things. This is portrayed as a positive development. The book has been widely reviewed in business magazines and its application to business thought is well-illustrated in a cover testimonial from a *Forbes* magazine reviewer: "*Out of Control* is the best of an important new genre. The book offers a pointed reminder that self organization ... is the essence of innovation, progress, and life itself. These are eternal ideas -- and ideas whose time has come".
30. Once again drawing upon liberalism as a basis for critiquing traditional business practice, Peters comments, "... most of us are Adam Smith's children until we get to the front door of our own business, when we become devoted advocates of centralized planning" (Peters, 1994: 14).
31. This, of course, gives rise to new contradictions, one of the chief of which is the question of unemployment. In an increasingly rationalized, automated, informed, marketized economy, high levels of unemployment and underemployment are a constant. By the new definition of citizenship, those who cannot produce for themselves nor consume are excluded from citizenship. Consequently, governments introduce 'workfare' programs to coerce these people into producing value. This is one of the remaining roles of the post-industrial state: to manage fringe populations who are not necessary for market functioning, and ensure that their non-competitiveness does not pose a threat to corporate and national profitability. In Peters words: "In a knowledge-based economy, you must -- to survive -- add some special value, be distinctively good at something" (Peters, 1994: 757).

Chapter 7

32. Miller and Rose base their conception of 'government at a distance' upon Bruno Latour's notion of 'action at a distance' (Latour, 1987). Latour developed the idea in attempting to explain how European colonial centres were able to dominate people, places, and events that were distant and unfamiliar. He argues that distant places and people were 'mobilized' and brought back to 'centres of calculation' through maps, drawings, and so on. These graphic representations could be transported without distortion, and combined for purposes of calculation. Miller and Rose adapt the notion to organization and in asking how organizational centres can dominate agents at a distance through convincing them that their interests are linked.
33. As a neo-Marxist scholar, Gorz tends to focus on enterprise as a structure and only operates at the level of the organization. Although he does address the impacts of enterprise rhetoric and structure on individuals, he does not discuss its operation at the level of subjectivity.
34. In referring to resistance here, I am drawing here upon the theoretical insights of de Certeau, whose task is to analyze actions of domination and resistance in the cultural sphere. Through strategies of space, "subjects with will and power" are able to isolate themselves in a place which acts as a base from which exterior targets and threats can be managed (de Certeau, 1984: 36). As I noted in chapter 2, three types of space are involved, including: social space -- a legitimated position within the social structure; theoretical space -- a discourse which legitimizes social space; and physical space -- the places within which power is operationalized and distributed. Through the combination of these spaces, power groups attempt to reduce temporal relations to spatial ones through the analytical attribution of a proper place to each particular element within a social situation. Through the use of these strategies, the powerful hope to resist the undermining effects of time.

Resistance occurs in the form of "tactics" which use opportunities presented by time. The powerless do not have the resources necessary to establish an autonomous space separate from the surrounding social environment. They must live their everyday lives as a part of that context. Separation from the environment is a prerequisite to planning a general strategy and consequently, the powerless do not have the option of utilizing strategies of control. They have no space of their own but continue to resist the strategies of the powerful through tactics of resistance. These do not rely upon space but rather time. They seize upon an instant which can be transformed into a favourable situation; they move rapidly to change the organization of a space when possible. Tactics play with the foundations of power, using ruses, games, and poaching to resist the discipline insisted upon by strategies of control.

In terms of corporate space, employees have always employed tactics of resistance to challenge management authority -- the theoretical space of power, and systems of control -- the physical space of power. Burawoy (1979) observed employee "game playing" in which employees used the technology of the workplace for their own personal purposes; Ross (1991: 123) identifies a culture of sabotage among female employees in electronic offices, in which the employees rub their bodies against computers to create a data-erasing static charge. Other employees plant logic bombs and other electronic sabotage to resist management authority and control. All of these tactics have the effect of stealing time, forcing the corporation to reorganize the space of control to counteract the eroding effects of time.

Martin Sprouse has edited an interesting collection of first-hand accounts of workplace sabotage entitled, *Sabotage in the American Workplace: Anecdotes of Dissatisfaction, Mischief and Revenge* (1992). This book provides an interesting illustration of the abstract concepts addressed by de Certeau.

35. Gorz bases his argument on the findings of German trade union researcher, Wolfgang Lecher (1986). Gorz points out that Lecher's views on the emerging labour structure are supported by the British example where one third of the working population has been relegated to temporary or part-time employment, or to doing 'odd jobs' as of 1985. When the number of unemployed are added to this figure, approximately 50 percent of the working population is in the peripheral workforce (Gorz, 1989: 67).
36. Castel's observations are generalizable because the discourses which he examines originate from neo-liberalism, which currently informs much expert discourse around organizational administration.
37. There is a lack of feminist research into changing business discourse, posing a serious absence in social science critique. Janet Newman (1991) has looked at business literature directed toward women, but a more holistic analysis of the mainstream, masculinized business restructuring genre is open to feminist critique.

Chapter 8

38. The origins of 'learning', as used by business intellectuals in the 1990s can be traced directly to the development of the discipline of cybernetics. Norbert Wiener, for example, used the term 'learning' to mean that a system has a feedback loop whereby it can measure its intended action against its actual action and thereby correct errors (Wiener, 1950: 84). Mervyn Cadwallader claims that cybernetics suggests that any large scale formal social organization

is a communication network and as such "... it is assumed that these can display learning and innovative behavior" (Cadwallader, 1959: 155).

39. Within three years of its initial publication, *The Fifth Discipline* had been reprinted eighteen times.
40. In a subsequent article, Senge (1993) admits that he is not an unqualified supporter of internal markets. He feels that changes in structure alone will not lead to a lasting business revolution. If, however, it is combined with rethinking management to become more "nurturing", and with the development of "new core learning competencies" among all employees, it can work. Internal markets must be combined with values and visions that create trust and openness! He does not explore any potential contradictions between competition on the one hand and trust and openness on the other.
41. Watkins draws heavily upon the work of Donna Haraway (1991) who describes the social transformation at the end of the twentieth century as a change from "an organic, industrial society to a polymorphous, information system" (Haraway, 1991: 161). Like Watkins, Haraway sees the master narrative of social positioning changing to a technological narrative. In terms of the social subject, she asserts: "By the late twentieth century, our time, a mythic time, we are all chimeras, theorized and fabricated hybrids of machine and organism; in short, we are cyborgs. The cyborg is our ontology; it gives us our politics" (Haraway, 1991: 150). In terms of the workplace: "Modern production seems like a dream of cyborg colonization work, a dream that makes the nightmare of Taylorism seem idyllic (Haraway, 1991: 150).
42. For example, the 'systems approach', which Senge draws upon, and 'contingency theory', both represent organizations in highly functionalist terms. They characterize organizations as sets of identifiable subsystems which can be manipulated to create new balances of forces. The messiness and indeterminacy one would expect of a true organic analogy are still absent and instead the organization is a set of discrete parts that fit together like parts of a machine. See Gareth Morgan (1986: 39-76).
43. See also Gareth Morgan's review of organizational approaches which use a brain analogy (Morgan, 1986: 77-109).
44. Corporate values, and the thought and action that flow out of them, are also appropriate outside the corporation as Senge points out in a chapter entitled "Ending the War Between Work and Family". Conflict between commitments inside and outside the corporation can be resolved, not by making the organization more like a family but by applying the five disciplines to the 'management' of family matters.

Chapter 9

45. Despite a language that valorizes the messiness and 'ad hoc' nature of teams, they constitute a field of governance that is open to specific calculations and categorizations by business experts. Davidow and Malone, for example, attempt to define and categorize the qualities necessary for teammembers, quoting another source who outlines twelve different traits necessary for a successful teammember. From these characteristics, Davidow and Malone set out a fourfold typology of essential types of team players:

... the contributor, who is information and performance focused; the collaborator, who is the source of the team's vision; the communicator, who is the facilitating heart of the team; and the challenger, who serves as the team's devil's advocate. Every team member exhibits one or more of these traits, and a great team includes members who make sure that all four roles are being performed in the right proportions (Davidow and Malone, 1992: 201).

Peters classifies team activities according to size of team, setting out a typology of six varieties of teams which act in certain ways to accomplish certain goals (Peters, 1994: 10). Drucker advocates establishing systems for classifying service and knowledge work into categories of 'performance' based upon a particular measure of productivity that is appropriate to the type of value produced by a specific type of job (alas, time and motion and cost accounting methods are no longer appropriate given the changing nature of work and the products of work).

There are numerous other examples of the calculative language that enters into this supposedly messy area. My point in mentioning it is to demonstrate that the program of organizational governance that I have labelled 'flexibility' is elaborated in two parallel and contradictory languages, one emphasizing autonomy and natural processes and another implying calculation, classification, and an ordering of the space of the corporation. There is this strong element of regulation that is, in part, the heritage of management training, but also the intrusion of the binary opposite of chaos and change; the decentralized, delayed corporation contains within it the seeds of its own systematization as business intellectuals seek to find ways to precisely define and classify its characteristics and find ways to maximize its potentials. The language of constancy creates a mutuality between the political rationalities behind flexibility and the control aspirations of business executives.

46. The assertion that information technology was not correctly used in the 1970s and 1980s is questionable. It assumes that there is no employee or executive resistance to computerization: the corporation is a unitary community of in-house entrepreneurs who, given the opportunity, will work at peak efficiency on behalf of the corporation. However, computer technology has done nothing to strengthen the relationship between the average employee and the end result of his or her labour and as labour process scholars have demonstrated, it becomes implicated in the effort bargain between workers and managers (Burawoy, 1979; Morris-Suzuki, 1984).
47. Much has been written on the relationship between information technology and work within the sociological literature, especially in reference to its capacities for reducing worker alienation or enhancing it through deskilling, automating, and downsizing. Rather than replicate that highly politicized debate, I wish only to make some overview comments on how business intellectuals discuss this relationship.
48. I am referring in particular to academic work that follows upon Piore and Sabel's book, *The Second Industrial Divide* (1984), which puts forward, in academic terms, the flexibility thesis in relation to Post-Fordism.
49. I question Zuboff's uncritical acceptance of the positive outcome of the dissociation of meaning and action in the workplace. She does not problematize the potentials of this separation for the control of work process and the employee experience of work. *In the Age of the Smart Machine*, despite repeated findings of negative effects of computer technology, replicates the generalized cultural acceptance of the benign future promised by computers.
50. Some of the early adopters of the team concept included AT&T, General Electric, Proctor and Gamble, Xerox, Honeywell, and other major American-based multinationals (Parker and Slaughter, 1988: 4).
51. Taken from Brian Dumaine, "Who Needs a Boss?" *Fortune* 7 May 1990.
52. It is somewhat puzzling that producers of business restructuring literature do not generally attack the existence of unions more openly. The concept of flexibility implies the absence of organized labour but only a few writers comment on this issue. Perhaps such an open attack would alienate too many people at this stage or perhaps the universality of flexibility as a discourse requires that it be applicable to unions as well as other types of organizations. To call for the elimination of unions may be to admit that flexibility is not of universal application.

Chapter 10

53. For example, Peters and Waterman (1982: 95-6), summarize the central assumptions of McGregor's Theory Y:
 - a) the expenditure of physical and mental effort in work is as natural as in play or rest -- people do not inherently dislike work;
 - b) external control and threat of punishment are not the only means for bringing about effort toward a company's ends;
 - c) commitment to objectives is a function of the rewards associated with their achievement -- the most important being the satisfaction of ego;
 - d) under the right conditions the average human being learns not only to accept but to seek responsibility
 - e) the capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population.
54. This 'resonance with the times' was also true of earlier management knowledge systems such as Taylorism and Fordism which achieved popularity in conjunction with the development of a belief in scientific rationality, the development of social statistics, the rise of the eugenics movement in the U.S., the development of assembly line systems in the turn-of-the-century Chicago slaughterhouses, and changes in the disciplinary and temporal schemas originally adopted in armies and prisons (Grint, 1994: 193).
55. Business writers often refer to the mythic past of American entrepreneurialism when it was still possible to start and run businesses with little or no state interference. Hammer and Champy (1993: 3) and Peters (1994: 234) argue that Americans are culturally inclined toward this type of entrepreneurship and point out that the flexible organization affords an opportunity to get back to this idyllic state of the past.
56. Through his discussion of Jesus Christ, Weber pointed out that the apparently radical ideas of Christ were deeply embedded within Jewish culture and therefore, found resonance with the population (Weber, 1978: 630-34). There is a certain parallel with business restructuring and American culture. As Grint suggests, the radical organizational changes to organization will prosper best when they are labelled as a return to former glory (Grint, 1994: 198).

57. James O'Toole, in his book, *Leading Change: Overcoming the Ideology of Comfort and the Tyranny of Custom* (1995) casts this problem in terms of corporate "realism" -- the business perspective that advocates having a 'strong man' in charge in difficult times. After examining the rule of Lee Kwan Yew, the strong man leader of Singapore, and favourite example of many business leaders, O'Toole attacks this variety of leadership on three grounds:
1. The tough-guy actions of most leaders are often signs of their own past failures, of the failures of their predecessors, or of their current leadership shortcomings;
 2. Tough guys don't lighten up when the crisis has passed;
 3. In the long run, strongmen are ineffective [because they control corporate vision instead of developing and communicating it in conjunction with organizational members] (O'Toole, 1995: 90-5).
58. This is an area that is much in need of empirical research in the next few years as flexibility discourse becomes firmly entrenched.

Chapter 11

59. Even the work team has no collective political sovereignty or oppositional power as constructed in flexibility discourse. It acts as a site for disciplining employees through processes of confession, mental models, team learning, and shared visions.

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Appendix A: Text Selection

Business writers have been involved in the project of attempting to bring together the interests of the organization and the personal goals of its employees for a long time. For example, the Human relations school, which brought together a number of different kinds of research (Mayo, 1963; Rogers, 1961; Maslow, 1954) ranging from interest in group dynamics to psychological studies of self actualization, characterized people as social beings driven by a need for group acceptance. Through the social interactions and group affiliations in the workplace, the individual could find fulfillment. More recently, the quality of working life movement, which began in North American before the main wave of Japanese-inspired management initiatives, but which gained force with the Japanization of management, sought to align employee goals with those of the corporation through greater worker participation in management decision-making processes (Guest, R.H., 1983. "Organisational Democracy and the Quality of Working Life: the Man on the Assembly Line." In, C. Crouch and F. Heller (eds.), *Organisational Democracy and Political Processes*, London, John Wiley.)

As I describe in chapter 4, however, corporate culture literature, while inspired by the same concern over equating corporate and employee goals, developed its own unique set of definitions and recommendations for achieving this end. Corporate culture emerged during a period of both social and economic uncertainty in North America, much of which was caused by the tremendous upsurge in competition

from Pacific Rim countries, Japan in particular. Prior to the early 1980s, the dominant paradigm of North American business involved focusing on strategic management of market forces external to the corporation (Barley and Kunda, 1992: 380). However, with the onset of enhanced competition, managers began to focus on strategies for internal management of the corporation through reorganizing and managing the untapped informal 'culture' of the organization. Enough time has passed for a set of exemplary texts to have been canonized as foundational in establishing the parameters of corporate culture discourse for practitioners (Smircich, 1983; Barley and Kunda, 1992; Trice and Beyer, 1993). These include:

- Terrence Deal and Allan Kennedy, *Corporate Cultures: The Rites and Rituals of Corporate Life* (1982)
- William Ouchi, *Theory Z: How American Business Can Meet the Japanese Challenge* (1982)
- Richard Pascale and Anthony Athos, *The Art of Japanese Management: Applications for American Executives* (1982)
- Thomas Peters and Robert Waterman, Jr., *In Search of Excellence: Lessons from America's Best-Run Companies* (1982).

The discourse that developed around corporate culture can be broadly classified into three sub-categories: the organization as symbolic system, the organization as adaptive body, and the organization as community.

In this thesis, I argue that the line of management discourse established through corporate culture writing continues into the 1990s and I wish to examine how the discourse of management has evolved since the early 1980s and what are the issues of internal management deemed important by contemporary business intellectuals. In

other words, I assert that a genre of business writing has developed around issues of internal organizational management with certain regularities and certain changes over time. In selecting texts for analysis, I must first define the parameters of the particular genre, which I refer to as 'business restructuring literature', that I am examining.

1. The Genre of Business Restructuring Literature

In determining which texts to select and which to exclude for the purposes of this thesis, the beginning point is to define the boundaries of the genre of business restructuring literature. As I discuss in chapter 3, genres establish structures by which shared meanings can be produced, reproduced, and changed. Swales defines genre in this way:

A genre comprises a class of communicative events, the members of which share some set of communicative purposes. These purposes are recognized by the expert members of the parent discourse community and thereby constitute the rationale for the genre. This rationale shapes the schematic structure of the discourse and influences and constrains the choice of content and style. Communicative purpose is both a privileged criterion and one that operates to keep the scope of the genre as here conceived narrowly focused on comparable rhetorical action. In addition to purpose, exemplars of a genre exhibit various patterns of similarity in terms of structure, style, content and intended audience. If all high probability expectations are realized, the exemplar will be viewed as prototypical by the parent discourse community. The genre names inherited and produced by discourse communities and imported by other constitute valuable ethnographic communication, but typically need further validation (Swales, 1990: 58).

There are certain problems with Swales' definition. First, his focus on communicative purposes as the basis of genre could lead to an author-centred, rather

than an intertextually-centred analysis of a genre. Second, his assertion that members of the discourse community are conscious of these purposes may have the effect of removing the discourses from the realm of culture and, once again, locating them in centred subject. Threadgold (1989: 108-9) argues that genres are not objective categories that can be separated from their participation in historical, social, and political processes. They are the socially ratified text-types available within a community and their function is both reality-maintenance and reality-change. They are involved in the production of cultural meaning systems.

Swales' definition, however, does provide some signposts for defining the boundaries of a genre even if, in reality, that is somewhat of a false enterprise. For purposes of methodology in the present case, it must be done. Business restructuring literature has several communicative purposes:

- a) continually reassessing the internal organization of corporations;
- b) defining the relationship among corporate organization on the one hand, and the larger social, political, and economic environment on the other;
- c) defining the character of the organizational subject and addressing the question of how to manage that subject;
- d) assessing the role of management, which is the intended audience and the discourse community of the genre, within the changing organization.
- e) asserting and explaining the emergence of 'knowledge work' and its related technologies as the purpose of organizations in the 1990s and as the basis of profitability.

In other words, business intellectuals produce business restructuring literature as a problem-solving literature addressing questions of how to make internal organizational

processes more dynamic within a commonly defined chaotic market environment.

These purposes distinguish business restructuring literature from other business genres although, of course, there is also much overlap. For example, certain types of self-help literature draw upon business discourses in recommending certain methods for living one's life as an enterprise (Robbins,). These texts do not focus on issues of managing the organization as a whole. Other business literature is about how to build and implement strategies aimed at capturing larger market shares (Hamel and Prahalad, 1994). These texts do not address, in a sustained manner, the problems of business structure and internal management. In searching for texts to include within this study, I include or exclude them largely on the basis of whether or not the authors address the above issues and are, by definition, part of the business restructuring genre.

2. Theoretical Concerns in Text Selection

Within the interpretive framework which informs the epistemological assumptions of this project, I begin from the premise of decentred authorship of texts. Following the work of post-structuralists such as Foucault -- who rejects the knowing, willing, transcendental subject, and Derrida -- who rejects the concept of a metaphysical centre that gives transcendental meaning, I argue that what is present in business texts (or any other type) is not the inner thoughts of centred subjects, but a weaving together of strands of cultural discourses that pre-exist any particular author and which are changed as they are drawn upon by authors. The task of the project

then becomes the unraveling of strands of discourse within each text and cross-textual comparison to locate discursive regularities.

The object of analysis, then, is not how authors evaluate organizational problems nor the extent to which the authors' recommendations have been put into practice, but rather, the uncovering of implicit discourses that are involved in framing an influential knowledge system about organization. In selecting texts for analysis, I look on the surface of the text to determine if the author(s) address issues of internal organization, the relationship between the corporation and the larger environment around it, and issues of employee subjectivity. These, as I have stated previously, are the three broad defining characteristics of the genre. I wish to examine the kinds of discourses involved in the way in which those issues are framed and solved. The discourses are not products of individual imaginations or experiences but rather of culture. Assuming this, then arguably, it does not ultimately matter which texts are chosen, as long as they fit within the business restructuring genre. Any text within the genre will be generated through processes of intertextuality that draw upon the discourses approved by the discourse community. Text selection becomes a matter of simply choosing among the vast number of available books in order to limit the amount of material that must be covered.

3. Text Selection

Although, ideally, any text within the genre will be appropriate for inclusion within this study, I have not chosen them randomly. Instead, I have established a set

of parameters based, in part, on concerns of historical weightiness as well as contemporary relevance. In particular, I have been concerned to choose recognized exemplars, when possible; these are texts which have been highly instrumental in the process of problem-setting for organizations through intertextual processes. Often-cited, these texts are recognized as trend-setting classics within the genre. For my purposes, I classify the texts into two broad categories -- historical and contemporary.

a. Historical Texts

Historical texts are those written between 1980 and 1990, covering the periods I refer to as 'corporate culture' and 'entrepreneurial culture'. I argue that the corporate culture texts of the early 1980s (mentioned previously) established the genre of business restructuring literature and established the overriding concerns of the genre -- linking issues of corporate organization to issues of social governance and social subjectivity in a particular manner. Although they do not form the central object of interest, these texts are important in establishing the historical context from which organizational discourses of the 1990s have emerged. Corporate culture texts from the early 1980s are far enough removed in time for certain classics to have emerged. I have chosen four exemplars from this period that are generally recognized as the foundational classics and which were the best-selling corporate culture books of their time.

The second set of historical texts are those of the second half of the 1980s. They exhibit certain evolutionary changes in the discourses which construct the texts

as described in chapter 4. These texts are derived from a particular stream of earlier corporate culture texts and have themselves been the progenitors of the dominant business restructuring discourses of the 1990s. I have chosen three exemplars from this period based, once again, on their recognition by business practitioners and academics as exemplars. These include:

- Rosabeth Moss Kanter, *When Giants Learn to Dance* (1990) -- an often-cited work by both academics and business practitioners because of her background in both sociology and business consulting;
- John Naisbitt and Patricia Aburdene, *Re-inventing the Corporation: Transforming Your Job and Your Company for the New Information Society* (1985) -- one of the top sellers of the period and popular for its overview of the dominant ideas about business at the time;
- Gifford Pinchot, *Intrapreneuring: Why You Don't Have to Leave the Corporation to Become an Entrepreneur* (1985) -- significant for its role in redefining entrepreneurship as involving team work within the context of large corporations.

From the particular framing of organizational issues in both the corporate culture and the entrepreneurial culture texts emerged the major themes that have become central to the 'flexible corporation' texts of the 1990s. These I have labelled 'contemporary' texts although, of course, such a label is arbitrary in that some of these texts have much in common with those of the late 1980s. I have divided the contemporary texts into two categories: first tier and second tier.

b. Contemporary Texts

First tier contemporary texts are exemplars within the genre and function within my 'data set' to establish the current central ideas of the genre by synthesizing

and reinterpreting existing ideas as well as establishing new ideas. They are instrumental in setting the problems of the genre and advocating solutions that are adopted by subsequent writers. They become primary intertextual sources both in terms of the ideas they name and frame and also in terms of the language they use to describe those ideas.

The texts I have chosen as exemplars are:

- Michael Hammer and James Champy, *Reengineering the Corporation: A Manifesto for Business Revolution* (1993) -- important for comprehensively setting out the principles of reengineering, which has diffused throughout the corporate world and has become a central term in the language of business reorganization;
- Tom Peters, *Liberation Management: Necessary Disorganization for the Nanosecond Nineties* (1992) -- significant as an extremist in calling for organizational decentralization and corporate entrepreneurship, and for incorporating neo-liberal discourses into his writing about corporate organization;
- Peter Senge, *The Fifth Discipline: The Art and Practice of the Learning Organization* (1990) -- important for elaborating and setting the direction for the further development of the concept of 'learning' as a primary principle for organizations and organizational subjects.

I have selected these texts based on the following criteria:

- i) I reviewed the Business Periodical Index for citations of authors' works, searching for authors who are most cited between the period 1990-95.
- ii) I examined secondary academic literature that drew upon business restructuring literature either as informational sources or for purposes of critique. Tom Peters is the most widely cited among academics, although largely for his earlier co-authored book *In Search of Excellence* (for example, Clarke and Newman, 1993; du Gay and Salaman, 1991; Willmott, 1993). More recently, however, social scientists have begun to examine his more recent work, *Liberation Management* (for example, Newfield, 1995). Hammer and Champy are discussed by Grint (1994). I have not found academic reference to Senge's work but have included *The Fifth Discipline* as an exemplar because of its importance to other business writers.

- iii) These three texts are important intertextual sources within the genre and are considered to be originating sites for key ideas in the development of management thought within the genre. This view of the texts emerges largely from the business magazines. I have examined the magazines *BusinessWeek*, *Fortune*, and *Forbes* from the period 1990-95 and have found a number of references to these works. Hammer and Champy's *Reengineering the Corporation* and Senge's *The Fifth Discipline* in particular are considered to be foundational texts for central concepts in contemporary management. (footnote: citations of magazine articles.)
- iv) Each of these books is a best-seller within the genre, indicating that they are widely read, in addition to being widely cited.

A final criterion for selecting these texts is, when one adds up the above reasons, that the authors are considered 'gurus' within the management theory field. The fact that they are best-sellers, widely-cited, and considered foundational intertextual sources means that they are looked to to pose trend-setting ideas and their new books will be widely read and reviewed in a circular cycle that reinforces their role as gurus. In the case of Hammer and Champy and Senge, their guru status was established largely by the books cited above. In the case of Peters, his status was secured in the 1980s through publication of *In Search of Excellence*. His more recent work, although not presenting new revolutionary ideas, acts to synthesize existing ideas and reinforce his guru status because he is widely read.

c. Second Tier Texts

The second tier contemporary texts function within the data set to act as filters for the principal ideas within the genre. These texts are instrumental in selecting which ideas from earlier, exemplary literature will become important and elaborated upon, and which will be left out of subsequent discussions. It is through this

literature that I determine the four discourses of 'flexibility' that currently set the direction of problem-solving within the business restructuring literature. Through the second tier texts, the first tier texts become exemplars as certain works are chosen as intertextual sources.

Generally, the second tier texts are more recent than the first tier texts and consequently, are not necessarily bestsellers nor are they exemplars of the genre. Instead, they demonstrate how the ideas set out in the first tier texts have been received, elaborated upon, and changed over time. They also serve to legitimate the ideas of the exemplary texts by adopting them and reinforcing them. They apply pre-existing ideas to new empirical situations and find them valid. At the same time, they serve to test the limits of ideas generated in the exemplary texts and may indicate points in which new concepts need to be developed.

I have chosen the following second tier texts for analysis:

- James Collins and Jerry Porras, *Built to Last: Successful Habits of Visionary Companies* (1994)
- William Davidow and Michael Malone, *The Virtual Corporation: Structuring and Revitalizing the Corporation for the 21st Century* (1992)
- Peter Drucker, *Managing for the Future: The 1990s and Beyond* (1993)
- Francis Gouillart and James Kelly, *Transforming the Organization: Reframing Corporate Direction, Restructuring the Company, Revitalizing the Enterprise, Renewing People* (1995)
- Gary Heil, Tom Parker, Rick Tate, *Leadership and the Customer Revolution: The Messy, Unpredictable, and Inescapably Human Challenge of Making the Rhetoric of Change a Reality* (1995)

In choosing the five texts in this category, I employed a number of strategies:

- i) I conducted a search of *BusinessWeek*, *Fortune*, and *Forbes* magazines to determine which of the more recent books business journalists considered important enough to review or to reference in articles. Collins and Porras' *Built to Last* and Gouillart and Kelly's *Transforming the Organization* were selected in this way.
- ii) Davidow and Malone's *The Virtual Corporation* could have been included among the first tier texts in terms of its earlier publication date (1992) and its importance in encapsulating and furthering management understandings of the role of technology in flexible corporations. It is more often cited in academic works than business works (like Peters' *Liberation Management*). I have included it in the second tier because the authors have not achieved the guru status of others in the first tier.
- iii) Herl, Parker, and Tate's *Leadership and the Customer Revolution* was chosen because it was brand new at the time that I stopped selecting texts (September, 1995). I wanted an up-to-date example of the genre. Also, this appears to be a transition text into the later 1990s in terms of the ways in which it both utilizes and changes standard ideas within the genre. Collins and Porras text also has this characteristic.
- iv) I have included one of the more recent books by Peter Drucker as well because he is often considered to be the founder of modern management literature (Tarrant, 1976). Drucker is the one writer who all business intellectuals feel compelled to directly cite in their texts. Although Drucker is a guru, his book, *Managing for the Future*, is not an exemplary text but rather reiterates much of his older work while incorporating ideas from the above-cited exemplars.

The second tier texts are not *exemplars*, but are *examples* of current works in the genre. I could have included any number of other texts but, because my purpose is to examine discourses rather than a particular mode of problem-solving or corporate practice, the texts I have chosen serve the purpose as well as any others would. Therefore, there are a host of subjective factors that have entered into the selection process. Perhaps most important was my growing familiarity with the genre and my ability, after a time, to ascertain quite quickly which of the recent books would be more likely to appeal to managers and which would not. Together with the

three exemplars mentioned above, these texts will allow for an in-depth and a broad perspective on the current state of the business restructuring genre. This list allows for an accurate picture of both the points of convergence within the genre as well as the differences and debates that occur within it. The genre, like all genres, is in a state of constant change, and I hope to demonstrate that process as well through this selection of texts.

Appendix B: Steps in Designing a Culture

James Collins' and Jerry Porras', *Built to Last* (1994) is an example of how 1990s business intellectuals have changed the 'culture' concept, diverging from the academic perspective on organizational culture by rejecting the assertion that, as Karl Weick states, "organizations don't *have* cultures; they *are* cultures" (Weick, 1983: 27). Instead, as exemplified by Collins and Porras, culture is something organizations have and astute leaders can manipulate it to achieve the desired organizational means and ends. Collins and Porras list a set of "tangible mechanisms" through which culture can be constructed and enforced:

- Orientation and ongoing training programs that have ideological as well as practical content, teaching such things as values, norms, history, and tradition
- Internal 'universities' and training centers
- On-the-job socialization by peers and immediate supervisors
- Rigorous up-through-the-ranks policies -- hiring young, promoting from within, and shaping the employee's mind-set from a young age
- Exposure to a pervasive mythology of 'heroic deeds' and corporate exemplars (for example, customer heroics letters, marble statues)
- Unique language and terminology (such as 'cast members,' 'Motorolans') that reinforce a frame of reference and the sense of belonging to a special elite group
- Corporate songs, cheers, affirmations, or pledges that reinforce psychological commitment
- Tight screening processes, either during hiring or within the first few years

- Incentive and advancement criteria explicitly linked to fit with the corporate ideology
- Awards, contests, and public recognition that reward those who display great effort consistent with the ideology. Tangible and visible penalties for those who break ideological boundaries
- Tolerance for honest mistakes that do not breach the company's ideology ('non-sins'); severe penalties or termination for breaching the ideology ('sins')
- 'Buy-in' mechanisms (financial, time investment)
- Celebrations that reinforce successes, belonging, and specialness
- Plant and office layout that reinforces norms and ideals
- Constant verbal and written emphasis on corporate values, heritage, and the sense of being part of something special (Collins and Porras, 1994: 136).

In this view of culture, it is not something that develops spontaneously from the interaction of a shifting group of people over time, but rather, it is a set of mechanisms, consciously developed by senior management, that work to encourage and enforce belongingness to the group. Not all business intellectuals go as far as Collins and Porras in advocating "cult-like" organizations, but there is an undertone to business restructuring literature that hints at a movement in this direction over time as social subjects face increasing individualization, the loss of ties to other types of collectivities.

END

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