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**A Self Fulfilling Prophecy: The New Public Management as a
Governmental Technology**

A thesis submitted to
the Faculty of Graduate Studies
in partial fulfilment of
the requirements for the degree of

Master of Arts

Carleton University
Ottawa, Ontario
April 30, 2000

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acceptance of the thesis

**A Self Fulfilling Prophecy: The New Public Management
as a Governmental Technology**

submitted by Shaun Bertram, B.A. Hons.
in partial fulfilment of the requirements for
the degree of Master of Arts
Department of Sociology and Anthropology

Thesis Supervisor

Chair, Department of Sociology and Anthropology

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May 19, 2000

Abstract

This thesis explores the lineage of the New Public Management as a means of bringing into sharper relief its attributes as a form of governance. Drawing upon the work of Michel Foucault, it argues that the NPM constitutes less a paradigmatic event, than the unfolding of a managerial logic that is grounded in ‘disciplinary’ and ‘pastoral’ technologies. These underpinnings suggest a need to scrutinise the NPM’s claims to a ‘neutral’ and ‘apolitical’ form of organisational practice designed to ‘empower’ both the organisational and political subject. In order to elaborate this discussion, this thesis will focus on the leading texts of both the ‘new managerialism’ and the New Public Management: Peters and Waterman’s *In Search of Excellence: Lessons from America’s Best-Run Companies* (1982) and Osborne and Gaebler’s *Reinventing Government: How The Entrepreneurial Spirit is Transforming the Public Sector* (1993).

Acknowledgements

Years ago as a psychology student, I attended a sociology class where the professor challenged us to search the library for an article that he had lost, offering us a cup of coffee as a reward. After a long day in the library, I slipped the article under his door along with a note specifying that I take my coffee black. The coffee was mediocre, but the man who served it up was anything but. Through my contact with him, I would change my major, my aspirations, and the way I perceived myself. Ken Hatt, I would never have accomplished this without you. Thank you.

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Introduction: The ‘New Prophets’

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....
(Weber, 1930: 182)

Max Weber viewed modern society as an ‘iron cage’ shaped by the two great rationalising forces of capitalism and bureaucracy (Weber, 1968; Ritzer, 1996: 137). Although he regarded bureaucracy as a technically superior organisational form (Weber, 1958: 228), he lamented what he perceived to be the inevitable consequence of the relentless march of bureaucratic rationalisation: a ‘disenchanted’ world lacking in spirituality and magic (Weber, 1968: 155). For this reason, he held out hope that those professionals external to the realm of bureaucracy—intellectuals, scientists, politicians, and even those bureaucrats at the highest echelons—might rise in opposition to bureaucratic domination (Ritzer, 1996: 130).

The new public managers, today, seem very much to be those prophets who would answer Weber’s call. We must, they importune us, break loose from the shackles of bureaucracy. Although it served a certain purpose in the bygone days of mass production and standardisation, bureau-professionalism is no longer appropriate within the context of a ‘new’ reality, one of knowledge workers, global economies, enhanced information technology, and increasing societal diversity. Adherence to the old and formal codes of bureau-professionalism is now outdated, inefficient, and reflective only of those who have a vested stake in its survival. Propped against this historical backdrop of bureaucracy’s shortcomings, the new public management (hereafter, NPM) seems a refreshing, and even a ‘paradigmatic’, alternative. It is ‘new’ where bureaucracy is

outmoded, dynamic where bureaucracy is standardised and inflexible, lean and decentralised where bureaucracy is centralised and monolithic, ‘impartial’ where bureau-professionals are self-serving, and even its ‘inspirational’ discourse invites a facile optimism when contrasted to the formal and technical discourse of the bureau-professional.

The intention of this thesis, however, is not to add to the growing critique of bureaucracy. Rather, it is to evaluate the NPM in terms of the promise it holds as an *alternative* to bureaucratic rationality. This requires an interrogation of the NPM, not against a backdrop of the historical failings of bureaucracy, but against its own history and on the basis of its unique attributes. Unfortunately, the NPM’s tendency to present itself in terms of a paradigmatic rupture with past managerial practices seemingly obviates this requisite for historical reflection. More critical evaluations, although important in drawing attention to the growing alignment of the NPM and the agenda of the New Right, have also done little to encourage assessment of the NPM as an evolutionary product of a managerial past. The broad tendency to compartmentalise the fields of ‘management’ and ‘politics’ has also served to reinforce an image of management as an apolitical endeavour.

While there is, then, a general recognition that the NPM entails the application of private sector managerial practices within the context of the public sector, very little is known about the historical varieties of management which inform this shift. Within this thesis, I will argue that the NPM constitutes the public sector application of a style of management variously referred to as the ‘new managerialism’, ‘new wave management’,

or the ‘cultural’ approach to management. Emerging out of the American wish to emulate the ‘lean’ and ‘flexible’ styles associated with Japanese production, the new managerialism, in turn, constituted an organisational hybrid of two early forms of managerial practice that were widely influential within Japan—scientific management and human relations.

Drawing upon the work of Michel Foucault, I explore scientific management and human relations in terms of the way they sought to govern conduct within the early industrial organisation. While human relations presented itself as a revolutionary alternative to the rationalising and mechanising force of scientific management, it was, in reality, a complementary approach which extended this rationalisation process to the erstwhile ungovernable realm of ‘the human element’—the employee psyche, employee motivations, and group behaviour. Foucault’s concepts of ‘disciplinary’ and ‘pastoral’ technology, I suggest, offer a useful means by which to capture the essence of these approaches and their interrelationship.

Using this conceptual framework, I undertake a more ‘political’ reading of the leading texts of both the new managerialism and the NPM: Peters and Waterman’s *In Search of Excellence: Lessons from America’s Best-Run Companies* (1982) and Osborne and Gaebler’s *Reinventing Government: How The Entrepreneurial Spirit is Transforming the Public Sector* (1993). Through this analysis, I hope to expose the new managerialists, of both the private and the public sector, not as those prophets anticipated by Weber, but as false prophets whose blueprint for a ‘better’ world will bring its own remorseless logic to bear upon the future.

Chapter One: The New Public Management

The Emergence of the NPM

Beginning in the late 1970s, several Anglo-American democracies produced a number of broadly similar and overlapping doctrines in the area of administrative reform. While originally viewed in relation to the conservative political agendas of the day, these reform initiatives not only outlasted the reign of those particular governments but also began to spread through governments across the Western industrialised world and across an increasingly diverse range of public service contexts. As such, it became apparent that a more broadly based organisational phenomenon was emerging. Today, this currently fashionable set of ideas has come to be referred to as the "New Public Management" (NPM).

Through the influence of the NPM over the last two decades, governmental reform has taken on a noticeably programmatic character. Early speculations that the NPM represented a short-lived managerial cycle or 'fad' have proved unconvincing in the face of the overall durability of the NPM (Hood, 1991: 6). Many commentators now suggest that we are presently witnessing an administrative revolution or a paradigm shift in how the public sector is organised to make decisions and deliver services—whether it is in terms of a general "internationalisation of public management" (Aucoin, 1990: 134), a shift from a bureaucratic to a "post-bureaucratic" paradigm (Barzelay, 1992) or a shift to an "entrepreneurial governance" paradigm (Osborne and Gaebler, 1993). Hood (1995), however, urges that one entertain such suggestions cautiously. On the one hand, the

internally contradictory nature of the NPM and the likelihood of unintended side-effects that may be introduced during its implementation pose a threat to the stable nature of the NPM. On the other, Hood suggests that substantial biases exist towards exaggerating international similarity in public management reforms:

Powerful international organisations such as the OECD and the World Bank are by their *raison d'être* committed to a view of international convergence on some single 'best practice' model which it is their institutional role to foster, in helping the 'laggards' to catch up with the vanguard. And within the domestic context, managers, politicians and bureaucrats facing criticism often try to build up bipartisan support for reshaping organizations in their preferred direction by arguing that what they are doing reflects 'international best practice', as has been the case in the UK since the early 1990s and applied to the US 1993 National Performance Review, with its conveniently vague references to change sweeping through public administration from Sweden to New Zealand. Public management gurus will likewise aim to convey the impression that their favoured path to salvation is spreading everywhere (1995: 108).

Given the obstacles that exist in relation to the emergence of the NPM as a stable international paradigm, it is premature to evaluate the NPM in paradigmatic terms. However, most commentators acknowledge that the NPM represents a distinctive break within the tradition of public administration. As Pollitt puts it: "One senses an 'official line' advanced, albeit with local inflexions, by most national leaders" (1995: 204).

Despite a proliferation of literature on the NPM, there remains little consensus and no one accepted theory as to what the NPM actually is or ought to be (Ferlie et al., 1996: 10), why it emerged or spread, or the degree to which it has 'caught on' (Hood, 1991). Moreover, there has been little independent, reliable, and systematic evidence produced concerning the impact of the NPM (Pollitt, 1995: 205). As such, the NPM remains a relatively undertheorised phenomenon.

Leading Ideas of the NPM

Attempts to catalogue the leading doctrines of the NPM have reflected such diversity that some have compared the NPM to “an empty canvass” where “you can paint on it whatever you like” (Ferlie et al., 1996: 10). Some precision is required, however, and provided by Thomas, who summarises the leading ideas of the NPM in the following way:

...a belief in the superiority of private-sector approaches; development of a stronger external orientation; incorporation of foresight and anticipation into decision-making; a shift from process-oriented to results-oriented government; the importance of visionary leadership found at all levels throughout organizations; the need to change the culture of the public sector; the development of alternative organizational designs based upon principles of decentralization, layering and openness to outside influences; the promotion of continuous organizational and individual learning, including the development of key competencies of employees; the widespread use of empowerment, teamwork and participation in decision-making; the development of a focus on the customer or client as the chief source of feedback on how well the organization is doing; the need to manage diversity both within the organization and in terms of the people it serves; the development of more robust performance systems and the use of more imaginative types of incentives to promote improvements; a reshaping of the boundaries between the public and private sector through privatization; contracting out and partnerships; and the demonstration of greater responsiveness to ministers, as well as greater accountability to legislatures and the public (1996: 10-11).¹

Taken together, this set of ideas was promoted as an ‘apolitical’ framework, one that was not vulnerable to capture by the demands of the New Right or to any one political party or programme, but a framework within which many different values could be pursued effectively (Hood, 1991: 8). Through claims that the NPM transcends ideological debates between left and right and that it represents an agreed upon formula for administrative

¹ For additional summaries of the ideas associated with the NPM, one might consult Hood (1991: 4-5) or Pollit (1995: 4-5)

reform ², many continue to promote the NPM as an apolitical endeavour.

The Politics of the NPM

The NPM can be conceptualised as a particular problematisation of the organisational regime of the state. Its ideas and associated practices converge around a critique of bureau-professionalism and the belief that private sector managerial practices can be drawn upon as a means of improving the overall functioning of the public sector. The impetus for the rise of the NPM developed in relation to a growing awareness of the state's failings, which developed from a variety of political quarters. On the one hand, state services and their underlying value systems were the focus of a longstanding and broad range of criticisms that developed within feminist, socialist, anti-racist, and user-rights movements (Clarke et al., 1994: 227). According to Clarke and Newman:

The cumulative effect of such challenges...might be seen as the 'return of the repressed' in social policy. Those elements of social relations which had been expelled to the realm of the natural in the structuring assumptions of welfare provision became the focus for collective social action aimed not just at the enlargement of social welfare but at the transformation of its principles of provision and delivery. In the process, the ideological assumptions of social policy were exposed, challenged and, at points, modified (1997: 11).

These popular social movements were important in generating a social momentum for the broad-based acceptance of many of the ideas associated with the NPM. Much of the vocabulary of the NPM (e.g. 'user-empowerment', 'participation', 'decentralisation',

² Foster and Plowden, for example, argue that "reinventing government is a neutral political expression" based upon the fact that the NPM was embraced by both left and right wing governments (1996:xi).

‘community’, and ‘flexibility’) echoes the themes developed by such groups.

An additional critique of bureaucracy emerged in relation to the political ideas advanced by the New Right ³. Unlike the progressive social movements, which were concerned with increasing social equality and whose critique hinged on the assumption that the welfare state would continue to exist and develop, the New Right’s political programme was shaped by neo-classical or monetarist notions, which enshrined free-market mechanisms and advanced the goal of a ‘minimal state’ (e.g. Hayek, 1944, 1960; Friedman, 1962). The New Right’s critique of bureaucracy also drew upon the ideas associated with public choice theory, which viewed politics in terms of a market with its own entrepreneurs, rules, and conventions (e.g. Tullock, 1965; Moe, 1989). In particular, it drew upon the work of Niskanen, who perceived bureaucrats as self-interested ‘budget maximisers’ who tended to dominate the policy process, resulting in an oversupply of output and an inappropriate combination of public services (1971: 21-22, 51). In order to check public sector inefficiency, the public choice approach emphasised the need for consumer choice or ‘exit’ mechanisms as a means of introducing market-like pressures into the public service. The political leaderships of Thatcher in the U.K., Reagan in the U.S., and Mulroney in Canada

³ By the term ‘New Right’, I follow Held (1989: 139) in referring to that political philosophy and its proponents which are “committed to the view that political life, like economic life, is—or ought to be—a realm of individual freedom and initiative” and where a “*laissez-faire* or free market society is the key objective along with a ‘minimal state’”. As a political programme, it includes: “the extension of the market to more and more areas of life; the creation of a state stripped of ‘excessive’ involvement both in the economy and in the provision of opportunities; the curtailment of the power of certain groups to press their aims and goals (for instance, trade unions); the construction of a strong government to enforce law and order”. In the context of this thesis, I use the term in reference to the Thatcher, Reagan, and Mulroney administrations in Britain, the United States, and Canada.

were influenced by such ideas, demonstrating a hostility to their public services in both their rhetoric and their actions and denouncing them as “fat, bloated, inefficient, uncreative, and too powerful” (Savoie, 1994: 82). Guided by the belief that the public sector was inefficient because it lacked the discipline of market competition, these governments effectively sought to impose fiscal discipline through an emphasis on both the primacy of ‘efficiency’ and the promotion of public sector competition in the forms of privatisation or quasi-markets. This was to be accomplished through a ‘hiving off’, or disaggregation of public sector units, and it was facilitated through an emphasis on an integrative role within the public sector that was managerial rather than administrative.

In institutional terms, however, ‘bureaucracy’ constituted more than the nuts and bolts of the machinery of governance. It epitomised the very social democratic regime that the New Right sought to overthrow. In this sense, Clarke and Newman remind us that the New Right’s agenda was never limited to the quest for public sector efficiency:

...the New Right programme of transforming the welfare state was never simply a question of how to cut the costs of public spending or make services more responsive and efficient. It was also directed at the organisational regimes of the welfare state because they constituted a field of relationships and symbolism that embodied (in bricks and mortar as well as ‘vocations’) an alternative social formation to that being pursued by the New Right. Conservative political and ideological hostility to the welfare state as an institutional articulation of social democracy meant that the ‘crisis of welfare’ was also necessarily a ‘crisis of the organisational regime’. The financial discipline of controlling public spending would never, by itself, be enough to unlock this particular blockage. The state itself needed to be restructured (1997: 16-17).

While the NPM was inaugurated as a set of reforms that would not confer a particularistic advantage upon any one group, the practical outcomes of this reform process have proved

otherwise. A general bias within the NPM towards both concerns of consumerism and alternative forms of service delivery suggests that some groups, most notably the New Right, have been more successful than others in promoting their overall interests. As Clarke and Newman have observed:

The complaints about welfare bureau-professionalism were generated from very divergent starting points and addressed very different problems. It has become conventional wisdom to assimilate these challenges to 'consumerist' critiques of the impersonality and lack of choice offered by welfare agencies. In our view, this does a profound disservice to the diversity of popular disenchantment with the welfare state—and feeds rather too conveniently into the New Right's appropriation of that disenchantment. The challenges to the welfare state involved arguments about access, power, rights, levels of benefits and services, the conditions under which they were provided, questions of structural bias and inequality as well as the forms of service delivery (1997: 12).

In this light, it is not surprising that many critics of the NPM have come to associate it with the rise of the New Right (Hood, 1991: 6). However, while it is important to acknowledge the extent of the New Right's influence upon the NPM, there are problems with regarding the NPM as if it were a mere epiphenomenon of the New Right. The rise of the New Right cannot adequately explain the international spread of NPM doctrines, their political durability, or the fact that such doctrines were so strongly endorsed by Labour governments that were ostensibly opposed to the New Right (most notably, in New Zealand and Australia) (Hood, 1991: 6).

As its label would suggest, the NPM, at its heart, represents the application of a new form of management within the context of the public sector. Yet, while commentators have highlighted the role of the New Right in shaping the politics of the NPM, they have been reluctant to engage with the implications of a heightened role for management within the

public sector. In chapter two, I explore the ‘non-politics’ of the ‘managerialisation of governance’ and I draw attention to the manner in which a number of academic trends within the social sciences have contributed to this oversight.

Chapter Two: The ‘Non-Politics’ of Managerialism

The ‘Managerialisation of Governance’

As Aucoin has observed, when Margaret Thatcher came to power in 1979, virtually all governments in the major Western democracies were “under stress” (1995: 1). From the 1970s onward, increased economic competition associated with the imperatives of global competition, the world-wide oil crisis, slowed growth and a decline in manufacturing capital gave way to a general crisis of capital accumulation and public resourcing. Governments thus looked to cut public spending at a time when the demands of a citizenry accustomed to stable growth were becoming increasingly politicised. The contradictory tensions between the state’s role as provider of welfare services and stabiliser of the economy manifested, according to O’Connor, as a “fiscal crisis of the state”, where:

...the capitalist state must try and fulfil two basic and often mutually contradictory functions—accumulation and legitimization...(i.e.) maintain or create the conditions in which profitable capital accumulation is possible...[and] try to maintain or create the conditions for social harmony....But a state that ignores the necessity of assisting the process of capital accumulation risks drying up the source of its own power (1973: 6).

Faced with these twin pressures, governments sought to re-commodify non-productive services and to improve efficiency as a means of reducing costs. Central to this endeavour was a new and heightened role for management.

For the New Right, managerialism⁴ represented a vehicle through which more rigorous discipline and efficiency could be introduced within the public sector. However,

⁴ Following Newman and Clarke, I employ the term ‘managerialism’ to indicate that management is more than just a “technical specification of functions or skills”. ‘Managerialism’ emphasises the ideological aspects of management as a “social group...which lays claim to both social and organizational power” (1994: 13).

as managerial analysts became increasingly active in the process of state restructuring, the self-serving interests of the “consultocracy” (Hood and Jackson, 1991: 24), evidenced through both the dramatic growth in the size and influence of the managerial consulting industry, began to become apparent. Managerial expertise came to apply not only to questions of public sector efficiency, but to more fundamental issues such as the ‘reinvention’ of the structures and processes of governance (Osborne and Gaebler, 1992). Accompanying this transition was a broadening of managerial discourse from that of maintenance management to ‘good governance’ and the self-proclaimed ‘management of change’ (Osborne and Gaebler, 1992: 331).

The transition from an organisational regime based on bureau-professionalism to one based on managerialism is welcomed by many who believe that managerialism has the capacity to transcend what they identify as the narrow and self-serving ‘politics’ of bureau-professionalism. Aucoin, for example, states that:

The post-bureaucratic paradigm envisages public management as a kind of governance that is devoid of power, conflict and competing interests because it assumes that dialogue and deliberations between citizens and public servants can achieve consensus about ‘results citizens value’. Adversarial politics and partisan politicians are entirely absent from this account except as remnants of the old bureaucracy which, indeed, is passing away as the dominant paradigm, even if vestiges remain necessary for those citizens and public servants unwilling to make the transition to the new order (1995: 172).

Claims such as the above are often grounded in a narrow interpretation of management as a “rational, value-free and apolitical activity in which the primary objective is to achieve greater technical efficiency” (Kirkpatrick and Martinez Lucio, 1996: 6). This depiction of

management, in turn, hinges upon both the recent identification of bureaucracy and professionalism as partisan interests and the tendency of management to frame its agenda only in a negative and relativistic way in relation to the ‘evils of bureau-professionalism’. By identifying bureau-professionalism as an inherently ‘political’ endeavour and by framing the mandate of “good management” in terms of the need to move “beyond bureaucracy” (Aucoin, 1995: 157), management implicitly presents itself as ‘beyond politics’. Political decisions are now to be construed as mere technical matters that are to be weighed by a small circle of experts. Governance, now equated with the ‘power to manage’, is increasingly regarded a non-issue.

This narrowing of political questions into technical considerations points to the necessity of conceptualising management outside the bounds of a narrow ‘rational’ and non-political model. In order to develop such an approach, it is useful to examine the factors that have contributed to this non-political conceptualisation of management.

The De-politicisation of Management

Guillen argues that management ideologies assumed a “life of their own” when the authority of the employer became effectively dissociated from the authority of government, through the establishment of a contractual right to property by the Enlightenment philosophers (1994: 299). This conceptual separation between management and governance was reinforced as managerial paradigms came to be adopted by individuals or groups of widely varying political persuasions. As Guillen observes:

...scientific management appealed to Communists in the USSR (Lenin, Trotsky), Fascists in Italy (Mussolini, Marinetti), Progressives in the United

States (Brandeis, Hoover), reactionary chauvinists in France (Clemenceau), liberal engineers in prewar Spain (Soria), authoritarian engineers in postwar Spain (Suanzes, Fernandez Avila), and conservatives (Rathenau, Siemens), avant-garde artists (Behrens, Gropius, Wagner) and social democrats and labor unionists (Bauer, Schlicke) in Weimar Germany, as well as Nazi technocrats (Speer). Human relations engaged liberal executives in the United States (Johnson, Watson), Fabians in Britain (Wallas, Albu, Cripps), liberal journalist-managers (the Servan-Screiber brothers, and technocratic socialists (Delors) in France, Catholic and Quaker management intellectuals in Britain, Germany, and Spain, and liberal thinkers (Ortega y Gasset) as well as authoritarian political leaders (Herrero Tejedor) in Spain (1994: 300).

The effect of these factors, Guillen argues, has been that organisational ideologies have often come to be perceived as cognitive tools rather than as expressions of a common political orientation (1994: 300).

More recent academic trends have also served to discourage theorists from approaching management as a 'political' agency. Waring (1991) suggests that historians, both business and labour, have been reluctant to evaluate the theories and practices of American business management in terms of their political dimensions and consequences. He attributes this development, in large part, to the widespread influence of business historian, Alfred D. Chandler. For Chandler, political interpretations of business management were unscientific because previous historians had investigated businesspeople in 'moral', rather than 'analytical' terms. Since cultural determinants and individual choices were less influential in shaping the evolution of business than material determinants and institutional imperatives, Chandler reasoned that this approach was largely irrelevant. He urged that value judgements and political choices exercised by the business community must be regarded as distinct from technology and market structures and that, with respect to the study of managerial capitalism, only the latter were relevant. He further argued that the

modern managerial enterprise and the new class of managerial professionals emerged, not as the product of political struggle, but rather as the result of technological imperatives and market forces. According to Waring, Chandler's approach was characterised by an underlying faith that bureaucratic firms and their professional managers were legitimate and rational, a view he developed by way of his exposure to structural functionalist sociology and the organisational theories of Max Weber, Emile Durkheim, Frederick Taylor, Elton Mayo, Chester Barnard and Herbert Simon, while working as a graduate student under Talcott Parsons at Harvard. This perspective, coupled with Chandler's general aversion to politics, resulted in his failure both to examine struggles for power and to consider the efforts of the business community in defining the goals of public life. Chandler's influential account, Waring argues, thus contributed to a relative legitimisation and naturalisation of the role of the manager and managerial institutions (Waring, 1991: 2-4).

Present academic trends within the social sciences have proved equally uncondusive to assessing the implications of managerialism's intrusion into the arena of governance. As Clarke and Newman point out, a contemporary academic challenge to 'grand theorising' has resulted in a tendency towards theoretical fragmentation as disciplines pursue their particular trajectories of development in a somewhat insular fashion. As managerial influence becomes more pervasive, however, engaging with it from within the boundaries of single disciplines becomes all the more difficult (1997: xii).

Postmodernist⁵ lines of theorising have also served to naturalise many of the 'effects'

⁵ Following Sokal and Brikmont, I refer to postmodernist thought as "an intellectual current characterized by the more or less explicit rejection of the rationalist tradition of the Enlightenment, by theoretical discourses disconnected from any empirical test, and by

of managerialism. Thompson, for example, criticises the postmodernist conceptualisation of a “break with bureaucracy”, suggesting that it “fits nicely into an era when entrepreneurial activities are a highly valued part of the cultural and political climate”. He bemoans the fact that “postmodernism has seen fit to endorse the sweeping statements and global prophecies so characteristic of pop-management”(1993: 194). The postmodernist challenge to ‘expertise’ has likewise served to provide management with an intellectually fashionable rationale for much of its agenda. One finds in the work of Aucoin, for example, the claim that “the ‘post-bureaucratic paradigm’... advances the ‘post-modernist’ assault on the idea that professional experts know best what is in the interest of the publics they are meant to serve” (1995: 171). While such claims are typical, they are misguided in their tendency to confuse managerialism’s “celebration of hard-headed, atheoretical practicality” (Huczynski, 1996: 102) with a challenge to ‘expertise’. More importantly, they mask the extent to which managerial authority has come to be enshrined, especially when viewed in relation to other forms of expertise. According to Clarke and Newman: “As social scientists were describing a ‘post-modern condition’ in which traditional forms of authority (monarchies, politicians, professional elites, etc.) were losing public confidence and trust, so managers began to take on public roles as authoritative sources of opinion and advice on how to run the world (not just organisations)” (1997: 35).

In order to overcome some of the conceptual limitations associated with the aforementioned approaches, I draw upon social philosopher Michel Foucault’s work on “governmentality” as a framework for my own analysis of the NPM. Through its unique

a cognitive and cultural relativism that regards science as nothing more than a “narration”, a “myth” or a social construction among many others” (1998: 1).

conceptual emphasis on “political rationalities”, the ‘political’ nature of the ‘technical’ and the need to challenge ‘discontinuist’ readings of history, I suggest that this approach presents a useful means through which to engage with the political dimensions of the ‘managerialisation of governance’. In the following chapter, I outline the essential constructs of a Foucauldian approach and discuss how I will employ these concepts in developing my own analysis of the NPM.

Chapter Three: ‘Governmentality’

Overview

From the late 1970s until his death in 1984, Foucault undertook a range of researches on “governmental rationality”, or, to borrow his neologism, “governmentality”. Through this work, Foucault addressed critics with respect to the justifications for his earlier work on discipline and, in particular, he addressed the problem of how it was possible to analyse the global strategies of the state from within the methodological framework developed in his work on micro-powers. By applying the same style of analysis he had developed to study techniques and practices that constitute individual human subjectivities in the context of particular, local institutions to a study of the techniques and practices for governing entire populations at the level of political sovereignty, Foucault effectively sought to displace or relativise a distinction between micro- and macro-levels of power (Gordon, 1991: 3, Dean, 1994: 179).

Foucault drew attention to the way in which the topic of government was concerned not only with the government of the state by the prince but also with such matters as “‘governing’ a household, souls, children, a province, a convent, a religious order, a family” (1991: 87). ‘Government’ was thus conceptualised by Foucault in both broad and narrow terms (Gordon, 1991: 2-3; Burchell, 1996: 19-20). As Gordon suggests, it can be broadly defined as the “conduct of conduct”, or “a form of activity aiming to shape, guide or affect the conduct of some person or persons” (1991: 2). Government, in this sense, might assume a plurality of forms, each of which may vary in terms of its object and scale. By developing the concept of government in this way, Foucault was able to move past negative and statist formulations of governmental power. In contrast, he proposed that the state be conceived as a composite reality expressed in the formulation of “the governmentalisation of the state”

which denotes “the way in which, historically, the modern state has adapted and strengthened itself through the adoption of multifarious techniques of government which are not necessarily immanent in the state or deployed in an intentional fashion” (McNay, 1994: 118). Through this approach, Foucault drew attention to the broad range of forces and groups that constitute and shape political activity.

Foucault’s reconceptualisation of governance also entailed a problematisation of *political rationality*. With respect to state power, Foucault was less concerned with “whether aberrant state power is due to excessive rationalism or irrationalism” because, he suggested, “political practices resemble scientific ones: it’s not ‘reason in general’ that is implemented, but always a very specific type of rationality” (Foucault, 1999c: 145). Government, viewed as the ‘conduct of conduct’, can only be made thinkable through certain rationalisations. Political rationalities thus represent the discursive ends and means through which the activity of rule is problematised. They are not reducible to the intentions of rulers or their interests, but emerge rather, as the product of historically developed and modified forms of rationality (Dean, 1994: 182).

Governmentality and the NPM

‘Management’ is a theme that permeates the work of Foucault. It figures prominently at the micro-level in the management of individual bodies and subjectivities and, as one might observe in Foucault’s reflections on the emergence of the ‘art of government’ in the sixteenth century, it can also play a role in the macro-level workings of government⁶. Yet,

⁶ According to Foucault, “the art of government...is essentially concerned with answering the question of how to introduce economy, that is to say, the correct manner of managing

it is clear that Foucault employed 'management' in a generic sense. This is not surprising, given that much of the critical import of Foucault's work flowed from his reconceptualisation of government as an ensemble of technologies irreducible to the sovereign 'will' of the state or the 'logic' of capital. In an effort to distance himself from Marxist theorists of the time, Foucault resisted prioritising the field of production, arguing that new forms of disciplinary power preceded the establishment of the factory by at least two centuries (Clegg, 1989: 188). It was perhaps in Foucault's reluctance to engage with the field of production directly that he failed to consider the field of management in a manner consistent with his treatment of the fields of psychiatry, medicine, or education.

If Foucault did not directly address the field of managerialism, however, he did suggest that the logic or rationality of power was transferable across domains (Townley, 1991: 13). Moreover, he was particularly interested in the interrelationships between various forms of government, particularly those between micro-level forms of government such as the family and the macro-political activities of government directed towards individuals that constitute a population, society or nation.

A useful starting point from which to begin to reconsider managerialism in relation to Foucault's concept of governmentality is Waring's elaboration of political scientist Herbert Kaufman's observation that management theorists and political theorists constitute "different species of the same genre." According to Waring, both political theorists and managerial theorists:

individuals, goods, and wealth within the family...how to introduce this meticulous attention of the father towards his family into the management of the state" (1991: 92).

...investigated similar problems of governance and studied how to instil obedience, reconcile individual and collective interests, and coordinate groups. They offered advice about how society should be organized and sought to find the 'one best way' of organizing human affairs, thus arriving at similar judgements on indoctrination, rewards and punishments, top-down direction, and bottom-up participation. Because management writers offered advice to rulers and because they inevitably made choices about ends and means, their ideas were inherently political. Although they sought to make their advice 'scientific', they never worked out a unitary, positive system of management and constantly quarrelled with one another. Their debates accordingly had the interminable quality characteristic of political discourse; their arguments were based on differing conceptions of human nature, social analysis, and government organization and hence were founded on moral propositions that were difficult, and sometimes impossible, to reconcile. For these reasons, their publications provide rich material for the intellectual historian (1991: 1).

Waring's parallel is helpful in the way it enables us to begin to think of managerialism in terms of a political rationality. Given that all managerial theories do not translate into action, however, management theory conceptualised in terms of political rationality should be seen to exist only in terms of a certain *potential* or *aspiration*. While it is a necessary condition of government, it can only be realised through *practices*.

Given its highly prescriptive and technical nature, practices are a crucial aspect of managerialism. According to Foucault, political rationalities are enacted through two varieties of practice. Governmental *programmes* provide the intellectual machinery that enables political rationalities to be carried out in a specific way (Miller and Rose, 1990). They presume knowledge and draw upon expertise in the area to which they are directed, and they serve as blueprints for subsequent action. Programmes, in turn, are fulfilled only inasmuch as they are operationalised through specific *technologies*, which can be understood as a way of joining knowledge and power (Rabinow, 1984: 17). While

technologies “have their own dynamics”, they, in turn, “develop primarily in terms of their role in relation to specific political programmes” (O’Malley, 1996: 192-193). Although managerialism is often viewed as distinct from politics on the basis of its technical nature, a Foucauldian approach does not recognise such a distinction. Here, “‘technical’ terms themselves—such as apparatus, machine or network—best convey a sense of the complex relays and linkages that tie techniques of conduct into specific relations with the concerns of government” (Barry et al., 1996: 13). “Technology”, applied in this sense, “neither is, nor could be either, ‘outside’ politics or corrosive of politics; it is tied irrevocably to our political self-understanding and our understanding of the political” (Barry et al.: 15).

The ‘New Managerialism’

Where the body of literature associated with the NPM has addressed the role of managerial practice within the public sector, the predominant issue has been whether management tasks in public sector organisations should be seen as essentially the same as, or different from, management tasks in the private sector. Given intersectoral differences, the primary concern is whether the overmechanistic transfer of practices and concepts from the private to the public sector will result in changes that fail to root. While this line of analysis is important, it overlooks the nature of managerialism on offer in the private sector (Newman and Clarke, 1994: 16-17). In terms of periodisation, my analysis will thus pivot around a consideration of the emergence of the *specific form* of managerialism that is presently being applied within the public sector in the form of the

NPM.

In the context of the prolonged American economic crisis of the 1980s and in the face of a growing threat of international competition, especially from the industrialising Pacific Rim, many western corporations began to reconsider their management style and organisational structure. A crucial influence here was the belief that Japan's superior economic performance was linked to its novel production techniques. Attention was thus focused on organisational practices such as Just-In-Time Production Systems (JIT) and Total Quality Management (TQM), the latter of which had been introduced into Japan by (primarily American) 'total quality' advocates such as Deming (1982) and Juran (Juran et al., 1974).

It was within this rush to analyse and emulate Japanese production techniques that the 'new managerialism' (or alternatively, 'new-wave management' or 'culture' management' as it is sometimes called) began to emerge. Developed on the basis of the 'excellence stream' of managerial thought which emerged in the early 1980s (Deal and Kennedy, 1981; Ouchi, 1982; Peters and Waterman, 1982), the new managerialism advanced a model of the organisation that was 'people-centred' and viewed bureaucratic systems as "unwieldy, counterproductive and repressive of the 'enterprising spirit' of all employees" (Newman and Clarke, 1994: 15). It challenged the very idea of 'rational' design and its appropriateness to a fast-paced and 'chaotic' business environment, presenting itself as a 'new', and even 'paradigmatic', rupture with past organisational practices (Peters and Waterman, 1982).

Yet, just how 'new' was the new managerialism? Huczynski has argued that managerial

fads, while often updated and promoted as 'new', are usually based on a finite number of existing solutions whose adoption tends to be cyclical in nature (1991: 291-293). By linking new ideas to old, 'new' managerial approaches fit into managers' existing stock of knowledge and experience, imbuing them with a 'commonsensical' appeal which makes it less likely that they will be rejected as new and alien (102, 108). Moreover, as Thomas has observed, the dynamic and positive rhetoric associated with the NPM may represent an attempt to combat a mounting cynicism that has developed after a series of failed managerial reforms:

The lexicon of the New Public Management literature is replete with dramatic, positive, action oriented phrases like: reinventing government, re-engineering, revitalization of the public service, organizational transformation, total quality management, paradigm shift, entrepreneurship and empowerment. At the outset, it is important to recognize the symbolic value of such words in the current debates over the potential and the problems of new public management. Because such words have positive connotations of newness and improvement to the functioning of traditional public bureaucracies, they serve the rhetorical purpose of promoting the acceptance of ideas and combating the culture of disbelief which has developed after successive waves of management reform have failed to deliver fully on their promise of enhanced organizational performance.... Reading the more popular literature on public-sector change, one sometimes feels that mastery of the buzzwords is almost as important as the achievement of the change itself (Thomas, 1996:7).

Given a reasonable ground for skepticism, it is important to resist accepting managerial claims to novelty at face value. Foucault's approach to history as a *genealogy* or *effective history* (Foucault, 1984), I suggest, offers a useful means through which to begin to interrogate such claims.

Foucault's Nietzschean approach can be distinguished from more 'traditional' approaches to history. According to Foucault:

An entire historical tradition (theological or rationalistic) aims at dissolving the singular event into an ideal continuity—as a teleological movement or a natural process. ‘Effective’ history, however, deals with events in terms of their most unique characteristics, their most acute manifestations. An event, consequently, is not a decision, a treaty, a reign, or a battle, but the reversal of a relationship of forces, the usurpation of power, the appropriation of a vocabulary turned against those who had once used it, a feeble domination that poisons itself as it grows lax, the entry of a masked ‘other’. The forces operating in history are not controlled by destiny or regulative mechanisms, but respond to haphazard conflicts. They do not manifest the successive forms of a primordial intention and their attraction is not that of a conclusion, for they always appear through the singular randomness of events (Foucault, 1984: 88).

Rather than regarding history as a logically ordered sequence or flow of causally connected events, Foucault’s approach cultivates an awareness of history as a haphazardly assembled “profusion of entangled events” (1984: 89). Yet, while a Foucauldian approach does not subscribe to a linear approach to history, neither does it automatically subscribe to ‘discontinuist’ readings of the present. For Foucault, one of the “most destructive habits of modern thought...is that the moment of the present is considered in history as the break, the climax, the fulfilment, the return of youth, etc” (cited in Barry et al., 1996: 4). By way of contrast, the ‘present’, for Foucault, represents “less an epoch than an array of questions; and the coherence with which the present presents itself to us—and in which guise it is re-imagined by so much social theory—is something to be *acted upon* by historical investigation, to be cut up and decomposed so that it can be seen as put together contingently out of heterogeneous elements each having their own conditions of possibility” (Barry et al., 1996: 5, emphasis original). In methodological terms, Foucault’s approach attempts to ‘destabilise’ the present rather than ‘relativise’ it, where ‘destabilising’ “does not seek to define the geographical and

temporal limits of a culture, but to bring into view the historically sedimented underpinnings of particular ‘problematizations’ that have a salience for our contemporary experience” (Barry et al.: 5). A genealogical approach abandons the search for the ‘immutable’ or ‘essential’, highlighting, rather, the constructed nature of knowledges, discourses, and subjectivities. It is thus “without constants” because: “Nothing in man—not even his body—is sufficiently stable to serve as the basis for self-recognition or for understanding other men. The traditional devices for constructing a comprehensive view of history and for retracing the past as a patient and continuous development must be systematically dismantled” (Foucault, 1984: 87-88). In emphasising the constructed nature of our subjectivity, Foucault’s approach promotes not “the identification of our faint individuality with the solid identities of the past”, but rather urges the “unrealization” of this identity through the possibility of an “excessive choice of identities” (Foucault, 1984: 94).

Focusing on the new managerialism as the pivotal axis of my analysis, I argue, on the one hand, that the ‘new managerialism’ constitutes an assemblage of practices associated with two historical schools of management- scientific management and human relations⁷.

⁷ Although I will broadly refer to ‘human relations’, I focus primarily on the strain of human relations associated with the work of Elton Mayo. In doing so, I acknowledge both the existence of a variety of human relations schools of thought such as the Myersians and the work of the Tavistock Institute of human relations (see Rose, 1975) and I acknowledge the extent to which ‘human relations’ is too often equated with the work of Elton Mayo, who grossly distorted the findings associated with the Hawthorne studies. However, I qualify my approach on the basis of two considerations. First, I suggest that Mayo’s ‘misinterpretation’ of the Hawthorne findings has proved as, or more, influential with respect to the way contemporary managers perceive the findings of human relations. My concern, therefore, lies not primarily with the verity of the original Hawthorne findings, but rather, with the practical effects that have materialised through their

On the other hand, I try to account for the conditions in which this particular form of management was adopted within the public sector under the rubric of the NPM. Although scientific management and human relations have often been regarded as the founts of modern managerialism, my choice to situate the new managerialism in relation to these two earlier approaches should not be confused with an account predicated on the acceptance of a traditional reading of the ‘origins’ of management. First, if these early approaches are reflected in the new managerialism, it has not been due to an orderly unfolding of historical events; it has been conditioned by a range of external and relatively random historical occurrences. Second, I approach both scientific management and human relations as bodies of practice to be explored, rather than accepting their historical ‘truths’ as givens.

Governmental Programmes and Technologies

My analysis can be broadly divided into two major sections that highlight, respectively, the role of governmental technologies and the role of governmental programmes in shaping the political contours of the NPM. In his work on ‘biopower’, Foucault suggests that technologies can be roughly classified along two lines (Foucault, 1980). *Technologies of domination*—developed in disciplinary regimes such as the prison, insane asylums, hospitals, and schools—act on the body to objectify, classify, train and normalise individuals. Technologies of domination are linked to the way

misinterpretation. As I will argue in later chapters, it is primarily the Mayoist strain of thought that has proved influential within the ‘new managerialism’ and, by way of this, the ‘new public management’.

individuals constitute their identity only inasmuch as they are internalised. *Technologies of self*, on the other hand, are distinguishable from technologies of domination in that they seek to uncover rather than impose a truth, which is seen to be so deeply embedded in the ‘soul’ of the individual, that it requires a cadre of ‘experts’ to dislodge and decode it. While ‘telling the truth’ is often therapeutic, it is also controlling in the extent to which it permits the individual to become an object of knowledge, both to themselves and to others. ‘Government’, for Foucault, represents a “contact point” through which technologies of domination and technologies of the self interact in a creative tension (1999e: 162).

In chapters four and five, I reframe the practices associated with scientific management and human relations in terms of these two technologies. More specifically, I analyse scientific management and human relations, respectively, in terms of Foucault’s concepts of “*disciplinary*” and “*pastoral*” technologies. I also emphasise the dynamic interrelationship between these two styles of management, highlighting the way in which they interact to form a coherent ‘governmental’ approach. In chapters six and seven, I analyse the way these managerial approaches merged together as a coherent hybrid and came to be applied at a macropolitical level. I do this by way of a consideration of two ‘governmental programmes’.

Waring suggests that, given the ideological and misleading nature of many managerial texts, scholars have often been urged to “leave management writings to managers”(1991: 5). Against this, he argues that: “Changing managerial ideology from an obstacle to seeing reality into another reality under study” can be useful, because it “can

reveal managers making history, not just responding to it, and help show how they developed and legitimised governmental methods” (6). It is with this in mind that I have undertaken an analysis of the new managerialism and the NPM by way of two key managerial texts.

Highlighting the way in which mainstream managerial texts “continue to deny that there is one formula to fit every situation”, Thompson and McHugh argue that “any serious examination of popular management writing and the associated business fads shows that the search for blueprints and formulas has not been forgotten” (Thompson, 1995: 11). With respect to the new managerialism and the NPM, respectively, two such texts stand out. *In Search of Excellence: Lessons from America's Best-Run Companies* (1982) by Tom Peters and Robert Waterman, was the most celebrated of the new managerial texts. According to Micklethwait and Wooldridge: “In so far as the current management theory boom has a starting date, it is with the publication of *In Search of Excellence*” (1997: 91). Reputed to be the best-selling managerial text of all time, it sold around five million copies (including fifteen translations) by 1985 (Silver, 1987: 105). Written as a guide to all managers on how to make their companies ‘excellent’ based on seven simple principles, *In Search of Excellence* can be regarded as a programme for governing organisational conduct within the private sector.

David Osborne and Ted Gaebler’s *Reinventing Government: How The Entrepreneurial Spirit is Transforming the Public Sector* (1993) can also be read as a governmental programme which directs itself to the public, rather than the private sector. Suggesting that existing governments are organisationally flawed because they are mired in ‘old ways’ of

thinking—more befitting to an age of mass production rather than an information age characterised by global competition—Gaebler and Osborne identify and outline ‘ten simple principles’ through which a new model of “entrepreneurial government” is emerging. They “offer these principles—this ‘map’—not as the final word about reinvented government, but as a rough draft” (1993: xvii) which might be used to incite others into action:

We hope the vision we have laid out will unlock the remaining gates—unleashing a paradigm shift throughout American government, from the smallest hamlet to the largest federal bureaucracy. We hope our road map will empower *you* to reinvent *your* governments (1993: 331, emphasis original).

The leading popular text associated with the NPM, *Reinventing Government* gained such international appeal that the terms ‘government reinvention’ or ‘entrepreneurial governance’ are now often used interchangeably with the term NPM.

Limitations of a Foucauldian Approach

In adopting a Foucauldian approach with respect to the study of managerialism, it is necessary to specify some general limitations. First, I do not submit to the Foucauldian view that power cannot be monopolised by a particular group or institution. Deetz (1992) leans towards this particular approach in his analysis of managerialism, viewing it as “a kind of systemic logic, a set of routine practices, and an ideology rather than the emergence of control by a particular group” and arguing that, as a practice, managerialism “can be articulated by anyone—owners, workers, or society”(222). While it is important to recognise these characteristics of managerialism, to some extent, it is crucial that one does not play up this emphasis to the extent that it deflects attention from the essential issue of

control, which should be regarded as the core feature of the managerial function. As Thompson and McHugh observe: “When we examine capital and its managerial agencies, it is clear that power is *somewhere*” (1995: 144, emphasis original). It is therefore, they suggest, still appropriate to refer to ‘power-holders’, if not in an exclusive and uncontested sense. It is also important to understand that the wide articulation of managerial discourses does not necessarily indicate the absence of a locus of managerial control. While Clarke et al. (1994) refer to a “dispersal of ‘managerial consciousness’ beyond the higher echelons”, they attribute this to the populist nature of the new managerial discourses which “... [stress] the capacity of everyone to take responsibility and make decisions rather than identifying ‘management’ with a distinctive cadre or organizational elite” (1994: 230). In this respect, the wide articulation of managerial discourses can be regarded as an indicator of the potent effects of managerial power.

A second problem emerges with respect to what Clarke and Newman identify as a Foucauldian tendency towards idealism. Arguing that “too many of the analyses of the productivity of power and discursive subjection have treated such strategies as though they worked rather than as *attempts to achieve* their desired results” they insist on the need to recognise that “attempted ‘subjections’ are not always accomplished and that ‘discursive strategies’ do not always achieve their objectives (1997: 31, emphasis original). With respect to the study of managerialism, they suggest that:

This is an issue at the micro-level (organisations persistently fail to produce the ideal worker and new technologies of control still have a few bugs in the system) and at the macro-level of the state. If this is a new field of state power, it is also a rather unstable one where contradictions and forms of contestation are not resolved simply by being expelled from integrative discourses. The dispersal of power and the development of managerialised

co-ordination are, then, strategies rather than accomplishments (Ibid.).

While the field of contemporary managerialism is often highly prescriptive in its appeal, it is necessary to recognise that the practice of managerialism does not always match the rhetoric. Warhurst and Thompson, for example, comment on the “hollow laugh received when mentioning the word ‘empowerment’ in most organisations” (1998: 9). Considerable scepticism can be seen to exist in relation to a wide range of managerial agendas and it is thus critical that we do not confuse managerial ambition with outcome.

Chapter Four: Scientific Management as Disciplinary Technology

Disciplinary Technology

In general terms, Foucault’s early work can be read as a critique of modernity and

humanism that, consistent with an anti-enlightenment tradition, challenges the tendency to equate reason, emancipation and progress. Rather than a progression from a primitive to a more humane system based on more sophisticated knowledge, Foucault argues that an intersection between modern forms of knowledge and power has served to create new forms of domination. In *Discipline and Punish* (1979), he develops this idea by way of a consideration of the historical transformation of punishment that occurred when the torture of prisoners was replaced with control over them by prison rules. In particular, he is concerned with the way in which the disappearance of torture as a public spectacle “has been attributed too readily and too emphatically to a process of ‘humanisation’, thus dispensing with the need for further analysis” (7). He argues that, although reformers criticised the excessive nature of punishment, this concern flowed not so much from a concern with the “abuse of the power to punish” as from a dislike for the irregularity or inefficiency of punishment (78). While the spectacular and exorbitant character of torture made for good displays, it was also a “bad economy of power” in that it aroused within the audience a “new respect for the humanity of the condemned” (79, 78). The rules of the emerging penal regime could be seen as “more regular, more effective, more constant and more detailed in its effects” thus “increas[ing] its effects” while diminishing its political and economic costs (80-81). The ultimate goal of this system was neither to punish less nor to punish based on more equitable principles, but rather, “to punish better...to insert the power to punish more deeply into the social body” (82).

It is through the transformation of the penal system that a distinctly modern power begins to take shape. In contrast to the overarching and negative power of the sovereign,

disciplinary power emerges as a productive and creative force, which operates at the microphysical level of the body:

The human body was entering a machinery of power that explores it, breaks it down, and rearranges it. A 'political anatomy', which was also a 'mechanics of power', was being born; it defined how one may have a hold over others' bodies, not only so that they may do what one wishes, but so that they may operate as one wishes, with the techniques, the speed and the efficiency that one determines. Thus 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) (138).

Disciplinary practices produce knowledge which is inseparable from power (27) and whose joinings of knowledge and power, or 'technologies', coalesce around the objectification of the body (Rabinow, 1984: 17). Disciplinary technologies included processes for the enclosure, partitioning and control of individuals and populations in space, means for the training of populations and standardisation of actions and gestures over time, mechanisms for the surveillance of populations and methods for the collection, classification and distribution of information about individuals and groups.

The innovations of disciplinary power, for Foucault, are most clearly distilled in Jeremy Bentham's Panopticon, a design principle based on a circular architecture which facilitated a unidirectional gaze such that the observed can be "totally seen, without ever seeing" and the observer in the central tower "sees everything without ever being seen" (202). So efficient is panoptic technology that bodies are often corrected by the mere suggestion of supervision, through an internalisation of the possibility of being observed. Moreover, panoptic technology is designed such that "anyone may come and exercise in the central tower the functions of surveillance" (207). Yet, it cannot be monopolised by any one

particular group. There is thus, according to Foucault “no risk...that the increase of power created by the panoptic machine may degenerate into tyranny; the disciplinary mechanism will be democratically controlled, since it will be constantly accessible ‘to the great tribunal committee of the world’” (207). Foucault finds inscribed in panoptic technology’s concern with “individualising observation, with characterisation and classification, with the analytical arrangement of space”, the diagram of a mechanism of power reduced to its ideal form (203, 205). Yet, in observing the list of benefits that Bentham ascribes to his invention at the beginning of *Panopticon*: “Morals reformed—health preserved—industry invigorated—instruction diffused—public burdens lightened”, Foucault argues that: “Panoptic schema was destined to spread throughout the social body; its vocation was to become a generalized function” (207). Thus, while the principal site for the development and refinement of disciplinary techniques was the emergent prison regime of the eighteenth century, disciplinary technology would ‘swarm’ through a range of emerging institutional settings. As Foucault puts it: “Is it surprising that prisons resemble factories, schools, barracks, hospitals, which all resemble prisons” (228)?.

The disciplines also become the basis for the modern human sciences. Foucault argues that the shift from a system based on torture to one based on prison rules also constitutes a transition from the punishment of the body to the punishment of the ‘soul’ or ‘will’. This invited considerations of ‘normality’ from a range of ‘experts’ that began with prison officials or police, and was extended to educators and psychiatrists. ‘Scientific’ penal knowledge thus serves as a basis for the emergence of a larger ‘scientifico-legal complex’. Foucault deplores the fact that: “These sciences, which have so delighted our ‘humanity’

for over a century, have their technical matrix in the petty, malicious minutiae of the disciplines and their investigations” (226).

The ‘New Art of Management’

The development of the disciplinary methods, according to Foucault, corresponds to the particular historical conjunction of two processes—eighteenth century demographic expansion and a growth in the apparatus of production (1979: 218). The former would result in large ‘floating populations’ and a change in the quantitative nature of the groups to be supervised. The latter was becoming more costly and, consequently, attention came to be directed to the way in which its profitability could be increased. Discipline addressed these problems because:

It could reduce the inefficiency of mass phenomena: reduce what, in a multiplicity, makes it much less manageable than a unity; reduce what is opposed to the use of each of its elements and their sum; reduce everything that may counter the advantages of number. That is why discipline fixes; it arrests or regulates movements; it clears up confusion; it dissipates compact groupings of individuals wandering about the country in unpredictable ways; it establishes calculated distributions. It must also master all the forces that are formed from the very constitution of an organized multiplicity; it must neutralize the effects of counter-power that spring from them and which form a resistance to the power that wishes to dominate it: agitations, revolts, spontaneous organizations, coalitions—anything that may establish horizontal conjunctions (1979: 219).

Braverman argues that, in the sphere of production, the control of large bodies of workers long antedates the bourgeois epoch (1974: 64). With the rise of capitalism, and the transition from slave to ‘free’ labour, however, he suggests that a ‘new art of management’ emerged:

The capitalist...working with hired labor, which represents a cost for every

nonproducing hour, in a setting of rapidly revolutionising technology to which his own effort perforce contributed, and goaded by the need to show a surplus and accumulate capital, brought into being a wholly new art of management, which even in its early manifestations was far more complete, self-conscious, painstaking, and calculating than anything that had gone before (65).

He also indicates that this form of management was founded on discipline (65-67). It required the gathering together, or ‘enclosure’, of employees under one roof to enable the supervision of workers by foremen. It was also linked to a range of disciplinary institutions. Braverman cites Pollard who observes that, at the time, “there were few areas of the country in which modern industries, particularly the textiles, if carried on in large buildings, were not associated with prisons, workhouses, and orphanages”. “This connection”, Pollard suggests, “is usually underrated, particularly by those historians who assume that the new works recruited free labour only” (Pollard, cited in Braverman: 66). Braverman identifies the first experts in this field as the classical economists, who focused on the organisation of labour within capitalist relations of production from a theoretical point of view. This body of expertise was further developed, he suggests, by those such as Andrew Ure and Charles Babbage toward the latter part of the industrial revolution (85).

Scientific Management

The ‘Science’ of Management

Developed in the early decades of this century, scientific management—or Taylorism, as it is often referred to after its founder, Frederick Winslow Taylor—represented the “first comprehensively articulated ideology of management” (Whitaker, 1979: 76). In a sense,

Taylorism can be regarded as the “culmination of an existing trend” in that many of the ideas associated with it had been germinating and gathering force in Britain and the United States throughout the eighteenth-century (Braverman, 1974: 89). Yet, Taylor’s role in synthesising, theorising and popularising the new ideas, as well of linking them to a body of practice was crucial (Thompson and McHugh, 1995: 33).

Scientific management drew upon and extended the disciplinary practices associated with early management. In organisational terms, scientific management, much like Bentham’s ‘Panopticon’, was formulated as a ‘generalisable principle’ that could be widely applied to a range of organisational settings. Taylor maintained that: “The same principles” of scientific management “can be applied with equal force to all social activities: to the management of our homes; the management of our farms; the management of the business of our tradesmen, large and small; of our churches, our philanthropic institutions, our universities, and our governmental departments” (cited in Kanigel, 1997: 12). Rarely applied in pure form, the essence of Taylorism was more portable, emerging through variations such as the Bedeaux System, German industrial rationalisation, and Fordism.

In his most famous work, *The Principles of Scientific Management* (1911), Taylor argued that the key to increasing labour productivity was the development of a systematic form of management based on scientific laws and principles. As Huczynski points out, this approach was consistent with the thinking of the time:

Scientific management and similar ideas of the period made a constant reference to ‘natural laws’. These laws offered managers limited options thereby reassuring them that there were only a fixed number of possible actions. The ‘principles’ upon which these laws were supposed to operate absolved the decision-maker of guilt in the event of failure. The period itself was still heavy with the legacy of eighteenth- and nineteenth-century social

and natural philosophers such as Adam Smith, Robert Malthus, and Charles Darwin (1996: 122).

The overarching goal of scientific management was that of improving industrial efficiency. For Taylor, the primary obstacle to such efficiency rested in the workers' practice of 'soldiering', or deliberate underworking by employees. Taylor attributed this to weak and 'irrational' management methods which permitted workers a considerable discretion with respect to the work methods employed (Rose, 1975: 34; Huczynski, 1996: 13). Rose reports that Taylor's "scorn" for managers was "almost hysterical" and that he portrayed them as "ignorant, arbitrary, selfish and blind to their own real interests, i.e. largely *irrational*" (1975: 34, emphasis original). Taylor regarded unions, on the other hand, as "organs of class warfare" which, necessary only in the days before science was brought to capitalist management, had become an entirely negative force, blocking technical progress and social harmony (Richardson, 1993: 4).

According to Taylor, the implementation of this 'scientific' approach to management required nothing short of a complete "mental revolution" in which both management and labour "must recognize as essential the substitution of exact scientific investigation and knowledge for the old individual judgement or opinion" in all matters bearing on work (Taylor, cited in Kanigel 1997: 473). Under scientific management: "What constitutes a fair day's work will be a question for scientific investigation, instead of a subject to be bargained and haggled over" (Taylor, 1947: 42-43). This would, Taylor believed, result in: "the substitution of peace for war; the substitution of hearty brotherly cooperation for contention and strife; of both pulling hard in the same direction instead of pulling apart; of replacing

suspicious watchfulness with mutual confidence; of becoming friends instead of enemies (Taylor, cited in Kanigel, 1997: 473). For Taylor, scientific management thus represented a means through which workplace conflict between management and employees might be settled scientifically, resulting in a new era of workplace democracy.

Key Principles

Viewed in terms of a discipline, scientific management was concerned with the appropriation and standardisation of that body of knowledge that had traditionally been associated with craftwork and craftworkers. In the transition to scientific management, Taylor proposed that “[t]he managers assume...the burden of gathering together all of the traditional knowledge which in the past has been possessed by the workmen and then of classifying, tabulating, and reducing this knowledge to rules, laws, and formulae” (Taylor, cited in Braverman, 1974: 112).

As a system, scientific management was formulated around four essential principles (Huczynski, 1996: 13-14). First, it required the development of a ‘science’ for each element of work that would replace the rule-of-thumb methods traditionally employed by workers.

Rose describes this process as follows:

Pick ‘ten to fifteen’ men (from different establishments, if convenient) already skilled in the work whose ‘science’ is to be discovered. Observe them at work and define the elements of the sequence of operations they employ. Time each element, for each individual, with a stop-watch. Identify those operations which seem to contribute nothing towards the completion of the task and eliminate them. Select the quickest methods discovered for each element and fit them into a sequence. Teach the workman this sequence, forbidding any deviation or the introduction of unnecessary operations. Add up the times for each element, and include an allowance for resting. The result will be the ‘quickest and best’ method for the task. Because it is the

‘best way’ all workers selected to perform the task must adopt it and meet the time allowed (1975: 35).

Methodologically, this system depended on a battery of techniques such as the stopwatch, the slide rule, the psycho-physiological test and the motion picture camera (Guillen, 1994: 9). Through studying work, each unit could be “highlighted, dissected [and] splayed open for view” (Kanigel, 1997: 206), rendering the process of craftwork both ‘knowable’ and ‘visible’ to management. Through a disaggregation of complex tasks into their constituent components, a study of unit times could be undertaken and work incentive could be more closely matched to work effort. The advantage of this strategy for management was that task simplification would maximise worker output while cheapening labour by reducing the need for worker training and for well-paid skilled craftsmen who were in shortage at the time (Huczynski, 1996: 119). Taylor was aware of these implications for labour, arguing in his earlier book, *Shop Management* (1903), that the “full possibilities” of his system “will not have been realised until almost all of the machines in the shop are run by men who are of smaller calibre and attainments, and who are therefore cheaper than those required under the old system” (Taylor, cited in Braverman, 1974: 118).

Second, scientific management was concerned with the ‘scientific’ selection, training, and motivation of workers. In terms of training, Braverman has argued that Taylor “raised the concept of control to an entirely new plane when he asserted as an *absolute necessity for adequate management the dictation to the worker of the precise manner in which work is to be performed*” (1974: 90, emphasis original). This control was exerted initially through rules for the shovelling of coal or lifting of pig-iron, but it would later take the form of the

instruction card:

For Taylor, the instruction card was to “the art of management what the drawing is to engineering.” On it, the results of management’s work—observing, recording, analyzing, thinking, planning—were neatly set out, in clear black and white, with the time each task ought to take noted to the fraction of a minute. Now, the workman didn’t have to think out the job anew; management did it for him. Now, a day was no longer the unit of work, nor was the job as a whole; both were too crude, left the workman too many options. With Taylor’s detailed instructions, he had fewer opportunities to hesitate, wander, or err (Kanigel, 1997: 208).

In disciplinary terms, organising work along these lines was more economical. As Braverman observes, with modern machinery, the “tool and/or the work are given a fixed motion path by the structure of the machine itself” (1974: 188). The skills, which the workers used to acquire, are now built into the machine. Rather than controlling the work process, workers now come to be controlled by the machine. For management, controlling machines is easier than controlling workers. According to Donzelot, a system focused on the workers optimal adaptation to the machine is also more economical because it can be seen to replace “surfeit of supervisory discipline—permanent supervision, punishment by fines and deductions from wages” which were “all costly ways of exercising power because of the resistance they evoke” (1998: 412). Governed by this ‘economic rationality’ the very site of reason within the work process can be seen to shift. According to Deetz: “Rather than being rational agents, workers now become more susceptible to irrationality according to how well they adapt to the rationally regular work. What is further lost is any sense of *social rationality* that might be used to show the irrationality of simple economic rationality” (1992: 255, emphasis original).

In Foucauldian terms, worker training under scientific management was geared to the

production of a 'docile' and useful body. This was reflected in Taylor's notions concerning worker selection, which he never systematically formulated except with respect to pig-iron handling. According to Taylor, "one of the first requirements of a man who is fit to handle pig-iron as a regular occupation is that he shall be so stupid and phlegmatic that he more nearly resembles in his mental make-up the ox than any other type" (cited in Rose, 1975: 36). Workmen who, initially judged suitable for a task, subsequently fail to maintain "a fair day's work" are to be fired (Rose, 1975: 36). Taylor conceived of the worker as an economically rational actor who would be most successfully motivated through extrinsic satisfactions such as monetary rewards. In most cases, the incentive system was based on a differential piecework system where above average work was rewarded and below average work was penalised (Rose, 1975: 37).

Third, scientific management required a "willing" and "hearty" collaboration between workers and management in order to ensure that work would be carried out according to the dictates of the new system (Rose, 1975: 40; Huczynski, 1996: 14). As Deetz argues, this collaboration was dependent on the Taylorist re-organization of work:

In the economically rational system, the worker could, through training, keep up with the line with less effort, thus the supervisor could be on the side of the workers in the workers' complicity with the systems that controlled them. The management's interest in suppressing and routinizing conflict could be realized with the full involvement of the worker...Worker pay could be higher. And the worker/management relation could be rationalized in "open" contractual terms. While new forms of resistance are made possible, they are also made less likely by the complicity and new form of surveillance. Piece-rate payments on up through the various worker-participation programs merely extend this basic model (1992: 255).

For Taylor, 'co-operation' also represented an important means through which to access

knowledge of workers. He believed that the “management of the future,” meant the “patient, analytical, almost microscopic study of men”, which was best made “side by side and shoulder to shoulder” with them. You must become “intimate with them, so that they forget that you are not one of their kind, and genuinely tell you what they think” (Taylor, cited in Kanigel, 1996: 144).

Finally, scientific management’s fourth principle was concerned with the consolidation of this managerially reconstituted body of traditional knowledge within the hands of management. Taylor proposed a roughly equal division of labour between workers and management based on the notion that: “All possible brainwork should be removed from the shop and centred in the planning or laying-out department” (Taylor, cited in Braverman, 1974: 113). This image of a “Thinking Department” contrasts rather sharply with Foucault’s understanding of disciplinary power as a form of power that cannot be monopolised or degenerate into tyranny (1979: 207). Not only did scientific management result in a decrease in worker involvement and responsibility, but it also ensured that only management would have knowledge and control over the entire labour process. This ‘deskilling’ of workers represented a concerted effort to break the control of skilled craft workers as a means of gaining greater managerial control over the work force.

Despite Taylor’s claims to having developed an objective science, his system of appraisal was ultimately grounded in a managerial subjectivity. Thus, as Braverman has forcefully argued, scientific management represented not a “science of work”, but rather the “science of the management of other’s work” and it concerned itself not with the “best way” to do work “in general” but rather, represented “an answer to the specific problem of how to

best control alienated labour” (1974: 90).

Chapter Five: Hawthorne and the Emergence of ‘Pastoral’ Technology

The ‘Human Element’

Scientific management was neither successful in its efforts to deliver the ‘great mental revolution’ or to cultivate a more ‘docile’ worker, content to leave the details of ‘thinking’ within the workplace in the hands of management. Within the Taylorised workplace, Gramsci suggests that the “new industrialists” understood that:

...the worker remains a man and even...during his work he thinks more, or at least has greater opportunities for thinking, once he has overcome the crisis of adaptation without being eliminated: and not only does the worker think, but the fact that he gets no immediate satisfaction from his work and realises that they are trying to reduce him to a trained gorilla, can lead him into a train of thought that is far from conformist (1971: 310).

Criticisms arose almost immediately with respect to the dehumanising effects of Taylorism (Grenier, 1988: 162, Kanigel, 1997: 444) and they came to coalesce around the need to recognise a ‘human element’ in work:

The priests of efficiency, in their temples of formula and rule, seemed to possess science’s secrets. Yet, didn’t it seem they always got things wrong? Maybe you couldn’t say just what they didn’t know, but the bitter derision, the seeming delight in pointing up their errors, hinted at some higher job wisdom that the experts missed and that mattered a great deal.

The “human element,” this missing factor would invariably be called: nuances of method and technique not obvious to the outsider, tangled on-the-job allegiances just beneath the workplace’s seemingly placid surface, fuzzy unquantifiables like dignity, pride, and independence—anything, in short, that fell outside the experts’ gaze (Kanigel, 1997: 516).

Managerial initiatives to take the ‘human element’ into account were linked to a range of practical problems that characterised American industry from the late 1920s onward. The rapid expansion and bureaucratisation of industry had resulted in communication problems between various organisational levels of the factory (Huczynski, 1996: 130). High labour turnover, which exceeded 300% per annum in many factories, was becoming increasingly costly. The investment required to make a job more satisfying was seen as relatively small

in comparison to the payoffs associated with a stable and dedicated labour force (Gillespie, 1991: 17).

Externally, increasing labour militancy was perceived as a serious threat to management. From the period of 1933-7, union membership in the U.S. had increased from 3 million to 7 million and, in 1935, the National Labour Act had recognised workers' rights to organise without coercion or interference from management (Huczynski, 1996: 130). "Corporate leaders", according to Gillespie, "tried every possible means to contain union power from negotiation and agreements to the use of spies and private militia; but whatever the tactics, they realised they faced a guerrilla war in which they had to win the hearts and minds of the rank and file" (1991:16).

Elton Mayo and The Hawthorne Experiments

Although managerial forms of intervention such as Taylor's 'scientific' selection of the worker represented a crude attempt to glean some understanding of the 'human factor', it was only with the advent of the Hawthorne experiments and, more generally, the 'human relations' movement, that management developed a more thorough approach to tapping those intangible variables associated with the 'human element'. The Hawthorne studies were undertaken at the Hawthorne plant of the Western Electric Company in Chicago from the period of 1924 to 1933. Initiated as a series of research experiments that focused on the relationship between illumination levels and worker production rates, the early results from these experiments suggested that worker production and job satisfaction increased, regardless of increases or decreases in illumination. These seemingly inexplicable results

prompted Western Electric managers and social scientists from the Harvard School of Business Administration to undertake a series of subsequent experiments that would explore social as well as physiological influences upon worker productivity.

First Relay Test

The first relay experiments, undertaken from 1927-1932, were initially modelled upon wartime studies of industrial fatigue. Relay work⁸ was chosen because the repetitive nature of the work was commonly associated with industrial fatigue (Gillespie, 1991: 49-50). Six test subjects, all experienced young female assemblers whose output closely matched each other, were selected for their co-operativeness (Rose, 1975: 119-120) and placed in a separate test room staffed by a supervisor. During initial briefings, subjects were invited to comment on test room arrangements and instructed to work at a natural pace. Over the next two years, the subjects' conditions of work were progressively changed. They were initially placed on a group-bonus incentive scheme. This was followed by the periodic introduction of rest pauses of various duration, shorter working days and weeks, 'relaxed' supervision and free snacks. In one period, all privileges were temporarily suspended.

With the exception of one period, worker output continued to increase over two years, even during the twelfth period, where privileges had been suspended. In accounting for the results, researchers downplayed several important factors, including traditional motivators such as money and strict supervision. Where workers in the regular

department shared a bonus among some 100 workers, test room subjects were treated as a separate gang, sharing their bonus amongst six workers. Significant increases in production within this group could thus have a measurable effect on their wages (Gillespie, 1991: 55). Later interviews with group members confirm the extent to which money served as a motivating factor (Silver, 1987: 116). Intriguingly, the notion that economic incentives *were not* the major motivation for workers would later be regarded as one of the key ‘scientific discoveries’ of Hawthorne (Gillespie, 1991: 204).

Later, more sophisticated analyses of the Hawthorne data also suggest that managerial discipline had been a contributing factor to increased production rates (Franke and Kaul, 1978: 630). At an early stage in the First Relay Assembly tests, two rebellious workers had been removed because of their low productivity. Since the workers had been told to work at a ‘natural’ pace, the subsequent firing of these employees for low output “made nonsense out of the experimental method” (Gillespie, 1991: 62). Bearing this in mind, experimenters, committed to making the experiment work, shifted charges against the women from low output to the assertion that they were ‘uncooperative’ (Gillespie, 1991: 62). The two selected replacements for the departed workers turned out to be the most productive members in the test room, accounting for the major part of the group’s productive increase (both in individual and aggregate output rates) over the next seventeen months (Carey, 1967: 415–416). One of these replacements had a record of breaking rates in the regular department. Pressed by individual hardship that resulted in her being the principal breadwinner in the family, she also quickly “took on the role of

⁸ Gillespie (1991: 50) informs us that relays are electromagnetic switches that were an essential component of long distance calling during this period. Hawthorne manufactured

leader, even driver, of the team” (Gillespie, 1991: 63). The dismissal of the two ‘uncooperative’ workers also served as an explicit threat to the other group members, whose output increased in the period immediately following the firings (Gillespie, 1991: 63).

Discipline thus played an essential role in the First Relay Experiments. Discounting this and other variables such as monetary incentives, however, researchers remained uncertain as to which of the remaining variables were associated with the increased output rates. Hawthorne manager, George Pennock, explained to the women that: “The rate of working has gone up approximately 25%. That’s a lot, we do not know whether it’s due to the small gang; the lunches; the rest periods; small number of different types or what?” (cited in Gillespie, 1991: 68). In order to interpret the results, they would call upon the help of outside consultants.

Harvard Professor Elton Mayo was invited on as a consultant to Hawthorne to provide assistance in interpreting the First Relay Test results. Both the experiments which followed and the conclusions which would be drawn from them were strongly shaped by the thinking and academic preoccupations of Mayo. In order to grasp the significance of Mayo’s influence upon the Hawthorne studies, it is necessary to provide some understanding of his earlier work.

In his first publication, *Democracy and Freedom* (1919), which was undertaken during Mayo’s post as lecturer in mental and moral philosophy at the University of Queensland, Mayo criticised the democratic party system as a socially polarising force which was likely to result in social disintegration. The failure of democracy, coupled with

75 different types and 6, 500 separate kinds of relays.

the development of class-consciousness, he believed, was responsible for industrial conflict. He proposed that the social and industrial cohesion that the political system was incapable of delivering might otherwise be effected through the collaboration of social institutions such as the professions and business and through the social guidance of experts such as managers, engineers, and social scientists.

Mayo's call for a new social role for 'experts' was timely. Although managers had drawn upon the expertise of consultants such as Taylor in the past, there had been little signs of embracing the social sciences in any fundamental sense. As Rose indicates, managerial enthusiasm for applied psychology had, until this point, derived from its potential as a tool for manipulating consumers as opposed to producers (1975: 91). Following the First World War, however, the market for psychological expertise in industry grew rapidly and some major U.S. corporations began financing industrial psychology and business schools in order to promote research and collaboration (Thompson and McCugh, 1995: 44). The Hawthorne experiments can be regarded as a milestone in this respect, as they represented one of the first attempts to bring social science into the service of management as well as being one of the largest projects of industrial social science ever conducted at the time (Huczynski, 1996: 18-19, 106).

The role of experts, and more particularly, the role of a certain kind of expertise, became central to the Hawthorne experiments. Mayo believed that knowledge gleaned from the fields of psychology and psychiatry was especially pertinent to the development of an understanding of the causes of industrial and political unrest. Reading extensively

from the work of Freud, Charcot, Jung, and Janet⁹, Mayo held that the psychiatrist could mediate between the extreme positions of worker and employer by exposing such stances as irrational manifestations of underlying personal maladjustment (Gillespie, 1991: 105). In line with the contemporary currents of Freudian and Jungian psychology and the growing mental hygiene movement, both of which stressed the widespread nature of mental illness in society, Mayo conveyed his research ambitions in the term “industrial psychopathology”, a term which communicated the notion that few—if any—were free of “reverie” and that “sanity was an achieved, rather than a merely natural condition of mind” (Gillespie, 1991: 104).

In his work at Continental Mills in Philadelphia, Mayo sought to develop his perspective by gleaning evidence for what he perceived to be a hypothetical link between worker fatigue and “pessimistic reverie”, a term which Mayo employed loosely to account for industrial unrest of any kind (Thompson and McHugh, 1995: 50). He emphasised that worker complaints should not be taken at face value. Only the psychopathologist or those trained in the techniques of psychopathology were qualified to identify and rectify such problems (Gillespie, 1991: 110). Mayo’s efforts to establish a causal link between fatigue and reverie were frustrated, however, largely owing to a general unwillingness of workers to share their intimate thoughts with researchers (Gillespie, 1991: 111).

For Mayo, the Hawthorne experiments represented a convenient niche in which to

⁹ Rose (1975: 115) observes that Janet, the lesser known of these influences, tended to represent social conflict as the product of individual maladjustment. He suggests that this

test the theoretical approaches he had formulated in his earlier work. Mayo was not involved in the illumination studies and his initial participation in the early relay studies was brief. Influenced by the physiologist, L.J. Henderson, who had been interested in the physiology of fatigue and the biochemistry of blood, Mayo initially endeavoured to measure blood pressure levels of the test subjects at Hawthorne, in the hope that he might establish a link between poor physiological integration and workers prone to ‘reveries’ and ‘obsessions’ (Gillespie, 1991: 71). Obtaining the medical report of one of the ‘unco-operative’ workers, Irene Rybacki, Mayo discovered that her blood analysis indicated a low haemoglobin level and red blood cell count. Turning this situation to his theoretical advantage, however, required some creative reinterpretation and Mayo would offer the following dramatic re-enactment of the incident: “a former worker in the test room...was permitted to withdraw because she complained of fatigue, became paranoid and ‘turned Bolshevik’” He believed this to be a clear demonstration of the connections between “pessimistic or paranoid preoccupations, fatigue, and organic disability” (Mayo, cited in Gillespie, 1991: 73). Despite his diligent efforts, Mayo’s blood test research proved ambiguous.

The results of two additional experiments—the second relay group and the mica splitting group—did little to clarify the results of the first relay test. They proved not only inconclusive but were discontinued amidst some discord (Thompson and McHugh, 1995: 48). Although this confusion might have been regarded by many researchers as sufficient cause to abandon the research endeavour, Hawthorne researchers developed a more

aspect of Janet’s thinking serves as “an important pointer” to Mayo’s distinctive contribution to human relations (such as personnel counselling).

positive interpretation that focused on the role of the improved mental attitude of test subjects. Changes in employee attitudes were now attributed to “greater freedom, less strict supervision, and the opportunity to vary from a fixed pace without reprimand from a gang boss” (Gillespie, 1991: 78). A more humane supervisory style thus came to be perceived as a constant variable in the Relay Assembly test room.

Hawthorne researchers began to speculate at length on the effects of ‘softer’ supervisory styles:

Summarizing a questionnaire answered by the women, the reports noted that “the operators have no clear idea as to why they are able to produce more in the Test Room; but...there is the feeling that better output is in some way related to the distinctly pleasanter, freer, and happier working conditions.” The implications for the supervision of workers in all parts of the factory seemed clear. The gang boss or other immediate supervisor tended to assume that workers were “thick-skinned and that his thrusts must go deep” but workers, especially those of “limited mental scope,” were now discovered to be emotionally sensitive and should be treated accordingly (Gillespie, 1991: 78).

Assertions that supervision in the relay room was more ‘relaxed’ or ‘friendly’, however, are misleading. The absence of a bullying gang boss did not necessarily indicate that supervision in the test room was any less intense. According to Gillespie, it was, even if conducted in a less confrontational fashion, probably more intense in the test room than in was in the regular department. Even before the removal of the two ‘uncooperative’ workers, supervision in the test room had been continuous, with the experimenters reprimanding employees, recording output and, at times, recording their conversations (Gillespie, 1991: 60-61, 66).

The Non-Directed Interview and the Productive Subject

How is it that within Western Christian culture the government of men requires, on the part of those who are led, in addition to acts of obedience and submission, 'acts of truth', which have this particular character that not only is the subject required to speak truthfully, but to speak truthfully about himself and his faults, his desires, the state of his soul etc.? How was a type of government of men formed where one is required not simply to obey, but to demonstrate in stating it, that which one is (Foucault, 1999c: 154)?

The new interest in supervision led to a 'clinical stage' in the research at Hawthorne. Even before the foregoing experiments were concluded, the company, prompted by criticisms of management overheard during the first relay tests (Rose, 1975: 110), undertook a programme of interviews which focused on the relationship between employee motivation and supervision. Where discipline had been an important, if unacknowledged, feature of the relay assembly tests, the clinical stage signified a shift in the means of producing knowledge of workers. This, in turn, presupposed the constitution of a certain kind of knowledge. Observing the comments of Hawthorne works manager C. L. Rice, Gillespie notes that this interest in supervision was fuelled by both a "moral vision and a practical concern":

[Rice] pointed out that the relay assembly test results had shown that "correct and understanding supervision is a greater aid to production than constant surveillance." But most of his address concentrated on the social and moral role of industry. He acknowledged that mechanization had removed some of the incentives for individual achievement, resulting in soldiering and a "holocaust of wastefulness and lost motion." Workers who wasted even a small amount of time were on a slippery slope: soon they would be taking still more time off, until finally they would lose their self-respect. The problem was one of saving the soul of the individual worker as much as one of saving the company money (Gillespie, 1991: 144-145).

In Foucauldian terms, the clinical stage marked a shift to a reliance on 'pastoral technology' (Foucault, 1999a: 139, 1999c), which Rose describes as:

...a relation of spiritual guidance between a figure of authority and each member of his or her flock, embodying techniques such as confession and self-disclosure, exemplarity and discipleship, enfolded into a person through a variety of schema of self-inspection, self-suspicion, self-disclosure, self-decipherment, and self-nurturing. Like discipline, this pastoral technology is capable of articulation in a range of different forms, in the relation of priest and parishioner, therapist and patient, social worker and client, and in relation to the 'educated' subject to his or her self (1996: 27).

The relationship between the pastor and the subject seeking 'salvation' is one of power/knowledge. In order to carry out his/her responsibility, the pastor must know not only "everything done by the flock and by each member of the flock at each moment" but also "what goes on inside the soul, the heart, the most profound secrets of the individual" (1999a: 125). This "knowledge of the interior of individuals" is achieved through the chief technique of the pastoral technology, the confession:

The Christian must confess without cease everything that occurs within himself to someone who will be charged to direct his conscience, and this exhaustive confession will somehow produce a truth, which certainly was not known by the pastor but was not known either by the subject himself. This truth, obtained by the examination of the conscience, the confession, this production of truth extends throughout the guidance of the conscience, throughout the guidance of the soul; this truth will, in some way, constitute the bond between the shepherd [*berger*] and his flock, and each member of his flock. Truth, the production of interior truth, the production of subjective truth, is a fundamental element in the practice of the pastor [*pasteur*] (1999a: 125).

While the confession remains entrenched in the exclusive, local and ritualised practice of Christian penance, it comes to be associated with such diverse secular practices as the consultation, the autobiographical narrative, and the interrogation (Foucault, 1980: 63). In educational, psychiatric, medical, and legal procedures, individuals are incited to confess aberrations of thought and deed in the presence of an authority who has the power to

“judge, punish, forgive, console and reconcile” (Foucault, 1980: 61-62) and, as Rose observes, “in compelling, persuading, and inciting subjects to disclose themselves, finer and more intimate regions of personal and interpersonal life come under surveillance and are opened up for expert judgement and normative evaluation, for classification and correction” (1990: 240).

As the confession becomes integrated into scientific discourse, its scope broadens from a concern with a truth that the subject wishes to hide to a concern with a truth hidden even from the subject. This “hysteria” or, “misunderstanding of truth” on the part of the subject, is a key assumption within the field of psychoanalysis, which Foucault regards as the epitome of the modern, secularised confessional:

Freud showed that the subject’s misunderstanding of the self was the point of anchorage for psychoanalysis, that it was, in fact, a misunderstanding by the subject, not of himself generally, but of his desire or of his sexuality...There we have the point of departure of psychoanalysis, and from there, the subject’s misunderstanding of his own desire was located and used by Freud as a general means at once of theoretical analysis and practical investigation of these illnesses (1999a: 117)

In psychoanalysis, the ‘truth’ of confession is now “corroborated by the obstacles and resistances it has to surmount in order to be formulated” (Foucault, 1980: 62). While this “produces intrinsic modifications in the person who articulates it” (Foucault, 1980: 62), the ritual of confession is not perceived as coerced by the subject. Rather, “[t]he obligation to confess...is so deeply ingrained in us, that we no longer perceive it as the effect of a power that constrains us; on the contrary, it seems to us that truth, lodged in our most secret nature, ‘demands’ only to surface; that if it fails to do so, this is because a

constraint holds it in place, the violence of a power weighs it down... (Foucault, 1980: 60). It is through the confession that categories of normal and abnormal are constituted. While individuals are regulated in relation to these norms and through their own introspective search for a hidden truth within the 'self', they are unable to recognise the constructed nature of their subjectivity and the way in which such subjectivities are aligned to the prevailing concerns of normalcy and productivity.

Although initial interviews of workers at Hawthorne were formal, structured, and directed to the end of compiling aggregate data regarding the attitudes of employees towards the organisation and work, the influence of Mayo and his preoccupation with psychoanalysis became manifest in the transition to a deeper and more open-ended interviewing approach reminiscent of those favoured by the psychopathologists. This connection between the Hawthorne style of interviewing and psychoanalysis became more explicit in the 1930's, when Mayo arranged for his students to practice their interviewing skills at a psychiatric clinic in the Boston Dispensary. Mayo believed that such firsthand experience in acquiring clinical skills was vital and that the Boston Dispensary, like industry, could be regarded as a "sort of observation post [and] a method of training individuals for effective observation and action in our modern world" (cited in Gillespie, 1991: 244). Mayo also came to value the approach to interviewing normal children developed by Swiss child psychologist, Jean Piaget, who regarded interviewing as a process that enabled children to glean an understanding of their irrationalities and subjective judgements, thereby facilitating them in adapting to their environment. Mayo believed that such an approach was applicable to workers at Hawthorne (Gillespie, 1991:

134)

The 'non-directed' interview was thus developed as a means of exploring the 'social sentiments' of the workers in depth (Rose, 1971: 110, 119; Thompson and McHugh, 1995: 48). However, Mayo regarded the comments solicited in the interviewing room as prejudiced opinions that were more reflective of the workers personal situation than objective fact. This was especially the case where workers' criticisms of supervisors were involved (Gillespie, 1991:150, 183). In this sense, Mayo's approach to interviewing can be likened to Foucault's account of Freudian censorship, which operated as a "falsehood-operator through symbolisation", "reject[ing] that what presents itself as it is...and accept[ing] that which is sufficiently disguised" (Foucault, 1999e: 177). For Mayo, like Freud, the primary importance of the interview technique was attached to its *therapeutic* potential. The industrial counsellor's function was primarily a hermeneutic one designed to enable the employee to 'talk it off', thereby facilitating his/her adjustment to the industrial structure. Gillespie records that:

During visits in 1929, Mayo lectured on interviewing techniques, taking great pains to explain that the interviewer should listen attentively, should not interrupt the worker, and should restate the workers' comments so as to elicit further material. On one memorable occasion, Mayo interviewed a worker while interviewers listened over a loudspeaker in another room, learning his technique by example. Mayo modelled his advice on his clinical experience as a psychopathologist, so much so that he sometimes assumed that the primary aim of the interview was to increase the workers' psychological awareness (1991: 134).

Although some workers were openly cynical about the interviewing program, most workers at Hawthorne regarded it as a positive step. This was largely attributable to the fact that most workers lacked any experience of formal collective action, through either

employee representation plans or trade unions (Gillespie, 1991: 141).

This approach to interviewing became embedded in the supervisory training program at Hawthorne, where the relationship of employee to supervisor was to be converted, where possible, into the relationship of patient to psychoanalyst. One supervisory training manual at Hawthorne, for example, stated that:

The thing for the supervisor to accomplish is to get the employee to analyze the case himself instead of the supervisor attempting to point out just where the employee is wrong. This can be done by questions and repetitions of statements already made by the employee. The supervisor should remember that free expression will go a long way toward relieving emotional pressure....The fact that the supervisor is viewing the matter calmly will strengthen the employee's belief that he is repressing personal bias or prejudice in a sincere effort to act upon facts (cited in Gillespie, 1991: 149).

Researchers were also aware that drawing out the individual in this manner represented a means of addressing worker grievances without encouraging any form of collective action. In an article comparing the effectiveness of employee representation and interviewing, Mayo's colleague, R.S. Meriam argued that "the absence of political machinery is the chief advantage of the interview plan. The employee is interviewed as an individual....He is not required to propose remedies or to listen to counter arguments or counter proposals." Representation, in contrast, posed the danger that "group loyalty may be aroused" and that, workers might collectively oppose management (cited in Gillespie, 1991: 213).

Hawthorne researchers, in general, accepted Mayo's emphasis on the 'therapeutic effect' of the interview upon the employee:

A report of the Industrial Research Division noted: "Until Doctor Mayo came along the most important uses for the interview seemed to be in Supervisory Training and Research work. As we know, he revealed what seems to be the

greatest use of all—emotional release. In other words, the employee is given greater freedom to unburden himself and a chance to express his thoughts”. Simply by describing their anxieties and problems to the interviewer, workers “talked out” their problems and gained relief. This was in addition to the value the interviewing program had in persuading the workers that the company was concerned about each individual (Gillespie, 1991: 136).

Regarded by many as the key conclusion of the Hawthorne research, personnel counselling spread rapidly during the 1940s, both in the Bell system and other large manufacturing firms (Gillespie, 1991: 211).

The Anthropological Phase and the Rise of the Managerial Pastorate

It seems to me that at that very moment it became apparent that if one governed too much, one did not govern at all—that one provoked results contrary to those one desired. What was discovered at that time—and this was one of the great discoveries of political thought at the end of the eighteenth century—was the idea of society. That is to say, that government not only has to deal with a territory, with a domain, and with its subjects, but that it also has to deal with a complex and independent reality that has its own laws and mechanisms of disturbance. This new reality is society. From the moment that one is to manipulate a society, one cannot consider it completely penetrable by police. One must take into account what it is. It becomes necessary to reflect upon it, upon its specific characteristics, its constants and variables. (Foucault, 1989: 261)

According to Foucault, the pastoral modality of power is characterised by the shepherd’s rule over a flock, as opposed to a territory (1999c: 137). While the shepherd (or, pastor) is concerned with each individual within the flock, he is also concerned with the unification and salvation of the group:

...the shepherd gathers together, guides and leads his flock. The idea that the political leader was to quiet any hostilities within the city and make unity reign over conflict is undoubtedly present in Greek thought. But what the shepherd gathers together and unites is dispersed individuals. They gather together on hearing his voice: ‘I’ll whistle and will gather them together.’ Conversely, the shepherd has only to disappear for the flock to be

scattered. In other words, the shepherd's immediate presence and direct action cause the flock to exist (1999c: 137).

In the 'anthropological' phase of the Hawthorne experiments, these concerns manifested as a managerial directive to reunite, to 'save', and to morally guide, those individuals that had been atomised and dispersed under scientific management.

Under the guidance of anthropologist Lloyd Warner, the famed 'bank wiring experiments' were initiated in 1931 to study the social relations of a group of fourteen male workers carrying out wiring, soldering, and inspecting bank¹⁰ tasks on telephone switchgear. Placed in a separate observation room, these men were instructed to work at their normal tasks under the watch of an 'unobtrusive' observer. It was noted that, while few of the men had a clear understanding of the group incentive payment method, they did have an understanding of what constituted, in their own judgement, a 'fair day's output'. Nearly all the men were capable of exceeding this norm and, on some occasions, did so. However, when they did exceed it, they would often report a false output figure that closely approximated the norm and proceed to work at a slower pace the following day. Those individuals that consistently overproduced were labelled by their co-workers 'rate-busters' and those who underproduced but reported achievement of the normal output rate were labelled 'chisellers'.

What was actually 'discovered' by the researchers, as Thompson and McHugh have

¹⁰ "Banks", according to Gillespie "were a major component of automatic telephone exchanges. Each bank consisted of one or two hundred terminals on a convex face, each of which had to be wired and soldered to the terminals of ten other banks; another level of banks were placed on top, and the process of wiring and soldering continued. Depending on the equipment, a set of banks would require the wiring of between three thousand and six thousand terminals (1991: 61).

wryly commented, was “no different from Taylor’s observations in the steel industry; the work group systematically controlled and restricted output on the basis of their own conceptions of a fair day’s work and enforced group norms on any fellow workers who deviated by overproducing... or underworking” (1995: 49). If, however, the discovery of ‘soldiering’ was hardly novel, the explanation proposed for such behaviour was. Rather than adopting a Taylorist perspective that viewed work group solidarity as an obstacle to be overcome, Mayo approached the collective restriction of output as a phenomenon to be understood and turned to management advantage. His interpretation of the bank wiring experiments, published in *The Human Problems of an Industrial Civilization* (1933), became the most celebrated of such accounts.

Drawing upon Malinowski’s work on the Trobriand Islanders, A.R. Radcliffe-Brown’s research on the Andaman Islanders, and Warner’s research on Australian Aborigines, Mayo argued that social collaboration and integration—especially in primitive societies and small communities—depended on a ‘non-logical’ social code which subordinated the individual to the community’s social functions (Gillespie, 1991: 185-186). Mayo’s conceptualisation of ‘community’ bore a strong resemblance to both German sociologist Ferdinand Toennies’ ‘*Gemeinschaft*’ (Toennies, 1963) and French sociologist Emile Durkheim’s notion of ‘mechanical solidarity’ (Durkheim, 1964). The former constituted a form of human community that enabled the development of a sense of group membership, loyalty, and the creation of personal ties. The latter, a feature of pre-industrial societies where there was a minimal division of labour, was characterised by social bonds that resulted from shared moral sentiments and a sense that everyone is

basically similar and belongs together. This romantic and nostalgic perception of 'community', according to Bryson and Mowbray, has often been associated with a conservative political position:

If traditional communities did not suffer certain problems, and modern society does, then the transition from rural or village, to city life can be unobtrusively given causal status. Problems can be attributed to modern urban or industrial systems rather than to a class society and the capitalist political order. This type of formulation allows solutions couched in technical, rather than explicitly political terms, oriented towards reviving or regenerating the primary social relations of the traditional community...The effect of such 'community' activity is to direct attention away from a specific consideration of the political nature of society, thus avoiding the risk of recognition that the so-called urban, social, or community problems in question are endemic to capitalism itself and that the redistribution of power and resources which feature in the rhetoric of such programs, could only be achieved through the building of a socialist society. Having once defined the problems in technical terms though, such political questions need not be confronted (1981: 256-257).

Combining his interpretation of 'primitive' community with his rendering of Piaget's work on the mental development of children, Mayo distinguished between three types of rationality: logical, in which individuals had the capacity to arrive at independent judgements; non-logical, where logic was socially derived and individuals responded to situations without really understanding them; and irrational, which signified social maladjustment and obsession. With respect to modern society, Mayo believed that most individuals remained in the 'non-logical' stage in which they were compelled to live by the 'social-code' (Gillespie, 1991: 186).

In a theoretical transition that roughly corresponds to both the shift from '*Gemeinschaft*' to '*Gesellschaft*' outlined by Toennies or the transition from mechanical solidarity to organic solidarity described by Durkheim, Mayo argued that 'progress'

associated with industrialisation and urbanisation had weakened a non-logical sociability, resulting in social dislocation, a lack of teamwork and the disappearance of “well knit” social groups¹¹ (Guillen, 1994: 62). Influenced by the Durkheimian concept of ‘anomie’¹² (Guillen, 1994: 62), a condition associated with modernity where norms and values are so weakened that society provides little guidance for the individual (Durkheim, 1966), Mayo reasoned that, lacking a wider certainty, workers sought to recover a measure of security through their work. He further argued that excessive rationalisation, specialisation, and mechanisation had dehumanised the work process, resulting in monotonous work, high absenteeism, high labour turnover, low morale, and industrial conflict. As a consequence, Mayo argued, workers now sought to establish a feeling of belonging through the informal organisation of the workplace and, as such, came to be more influenced by their peer group than by the economic incentives and controls of management. The informal group thus arose, he believed, as the displaced manifestation of a pre-industrial desire for intimacy and co-operation which had been frustrated with the rise of industrial society.

¹¹ Durkheim’s critique of modernity was influenced by Toennies, and Mayo’s concept of a ‘non-logical’ social code, in turn, reflects the influence of both. The key distinction between Toennies and Durkheim is that, where Toennies interprets modernity in terms of a shift away from ‘natural’ or ‘organic’ traditions associated with the communities of the pre-industrial past, Durkheim suggests that modernisation entails not so much a loss of community as a change in the basis of community. The forms of society that characterise modern industrial life are, thus, no less natural than the varieties that characterise pre-industrial life. While Mayo admits, like Durkheim, that the transition to modernity can entail a different form of solidarity, his personal nostalgia for a pre-industrial past would suggest that he was seeking to restore a sense of ‘lost’ community. For an original review of Toennies’ and Durkheim’s ideas on the subject, see Toennies’ *Community and Society* (*Gemeinschaft and Gesellschaft*) (1964) and Durkheim’s *The Division of Labor in Society* (1963).

¹² see Durkheim’s *Suicide* (1966).

In emphasising the organisational subject's need for meaning and 'belongingness', Mayo effectively raised a challenge to the 'rabble hypothesis' of scientific management, which portrayed workers as isolated individuals who acted only according to rational self-interest (Rose, 1975: 123). Mayo's reactionary approach would become an essential interpretative construct within the emerging human relations movement. According to Guillen:

Management individuals using a human relations approach were typically fascinated with communal life and the interaction of people in social groups. Their agenda was nostalgic, romantic and, in Albert Hirschman's sense of the term, *reactionary*. They sought to re-establish the social harmony of the preindustrial past, and avoid the 'social diseases' of industrialism that 'jeopardized' such previous achievements of mankind as inter-personal co-operation (teamwork) and orderly community life (1994: 12, emphasis original).

As Thompson suggests, the theoretical emphasis on addressing the balance between workers' technical and social skills was important inasmuch as traditional forms of craft socialisation and identity had been undermined through industrial rationalisation and the Taylorist mechanisation of the assembly line. Whereas scientific management attempted to reduce the worker to a factor of production and where its extreme division of labour broke down the bonds associated with previous forms of production, human relations addressed crucial issues of employee identity and group solidarity.

However, while challenging the organisational logic of scientific management, Mayo ignored the presence of contrasting internal logics that operated within the organisation, interpreting the results of the relay assembly and bank wiring experiments through a functionalist and organic model of society in which equilibrium and stability were the

natural order of things. Pointing to the relay assembly tests, Mayo thus posited a link between what he perceived to be the researchers' success in creating an environment of 'non-logical sociability' and the increased productivity of the workers, arguing that:

They have constituted themselves a social group and associate together outside the factory. They have developed a positive preference for the surroundings of the "test room" and their work, formerly perfunctory, perhaps even deliberately restricted, is now done with wholehearted interest and zest. One can fairly claim that in each instance the whole personality has emerged in action, and that the major increment in production records this rather than the effect of any item of the experimental change of conditions (cited in Gillespie, 1991: 189).

By way of contrast, Mayo regarded the bank wiring experiments as a case of the failure to establish an environment of 'non-logical' sociability, the result being worker maladjustment and mental imbalance (Gillespie, 1991: 189). For Mayo, the 'social disorganisation' of the bank wiring experiments foreshadowed a more general and widespread process of 'social disintegration' and, by 1935, Mayo was forecasting the "breakdown of civilisation" within three years¹³ (Gillespie, 1991: 187). In drawing a correlation between 'non-logical' sociability and higher productivity, Mayo thus forged a conceptual link between the informal group, the mental well being of the worker, and the managerial goal of increased productivity.

¹³ The 'breakdown' hypothesis was not among Mayo's intellectual high points. Rose comments that "[a]t times [Mayo's] absurdity verges on unconscious comic genius, as when he quotes from one Brook Adams to seal his case for a new caste of industrial manipulators: 'I take it to be an axiom that perfection of administration must be commensurate to the bulk and the momentum of the mass to be administered, otherwise the centrifugal will overcome the centripetal force, and the mass will disintegrate. In other words, civilization would dissolve'" (Rose, 1975:121). Gillespie has also pointed out that Mayo attributed the impending breakdown of civilisation to the role of revolutionaries, whom he believed controlled Hollywood, and to Jews (1991: 187).

In adopting a functionalist interpretation that downplayed organisational conflict as pathological or irrational, however, Mayo failed to acknowledge the inherent 'rationality' behind workers' collective behaviour to restrict output. As Clegg and Dunkerley have argued, "[r]estriction of output by voluntary norms was a rational response by primarily economically oriented agents to the increasingly likely prospect of unemployment" (1980: 131). Mayo's functionalist approach, combined with his tendency to downplay economic incentives, led him to develop some bizarre conclusions in this respect. He proposed that strikes and other actions that attempt to restrict output were symptomatic of obsessive preoccupation and maladjustment. Union leaders were portrayed as psychological deviants (Thompson, 1995: 50) and militant British trade unionism was interpreted as "an attempt to perpetuate stable social relations" (Rose, 1975: 121). More broadly, Socialism, Communism, and Marxism seemed to Mayo, "irrelevant to the industrial events of the twentieth century", except that, they "probably express the workers' desire to recapture something of the lost human solidarity" (cited in Rose, 1975: 121).

The managerial imperative to 'save' the organisational subject from alienation or mental illness proved to be, rather conveniently, the path to the manager's own 'salvation'. Mayo's presupposition that workers were only able to adopt a non-logical relationship implied, for him, a new and dynamic role for management as leaders and facilitators in shaping the organisational process. However, as Thompson and McHugh have indicated, Mayo did not believe that management was inherently 'rational':

Contrary to some accounts, [Mayo] did not believe that management was by definition and contrast rational, for all individuals were held to be governed by the same abstract instincts and needs. Rather managers and administrators could *become* rational, precisely because they can free

themselves from social routines and the accompanying emotional involvements. This is an extremely curious notion, as any analysis of management shows that it has *its own* routines and 'illogicalities'. But it indicates the uncritical attitude of human relations writers toward the economic elites (1995: 50, emphasis original).

Ironically, where Taylor believed that his system "prevents arbitrary and tyrannical action on the part of the foremen and superintendents quite as much as it prevents 'soldiering' or loafing, or inefficiency on the part of the workmen" (cited in Kanigel, 1997: 510), Mayo's reconceptualisation of the informal organisational group served as the basis by which to re-establish the 'arbitrary and tyrannical' rule of the manager. Mayo urged that the managerial elite must fashion an 'adaptive society' (Rose, 1975: 123), a theme which reflected his exposure to the theories of Vifredo Pareto, which he had been introduced to by way of the biologist Lawrence J. Henderson. According to Rose:

Pareto's ideas are complex, but what most impressed Mayo was his notion of non-logical action. This allegedly predominates in social life and springs from 'sentiments' (a largely unconscious predisposition or state of mind). People impelled to act in a certain way by a 'sentiment' can only offer a *rationalization* for their behaviour, not a genuine scientific explanation or theory. Pareto also believed elite rule was inevitable. This part of his thought is rather elaborate, but Mayo concluded that pervasive 'sentiments' disqualify the majority from rule because they function mainly to sustain stability in face-to-face relations (1975: 117, emphasis original).

Mayo thus adopted a "rather simplified version of Pareto's theory of the circulation of elites"¹⁴ calling for: "Better methods for the discovery of an administrative elite, better

¹⁴ Pareto developed an elite theory of social change which held that society inevitably came to be dominated by a small elite that operates on the basis of enlightened self-interest and that rules over the masses who are, in turn, driven by non-rational forces. Inasmuch as the masses lack rational capacities, they are unlikely to be a revolutionary force and change will occur only with the degeneration of the existing elite and its replacement by a new non-governing elite or higher elements of the masses. In contrast to social theorists such as Comte or Marx, who propose directional theories of change,

methods for maintaining working morale. The country that first solves these problems will infallibly outstrip the others in the race for stability, security, and development” (Mayo, cited in Rose, 1975: 122).

Mayo’s notion of ‘democratic leadership’ was also revealing. It meant “not so much that workers should be consulted, as that they should be advised of the change that management had already decided upon” (Huczynski, 1996: 89). His conceptualisation of ‘teamwork’ was consistent with this view. Where Mayo suggested that the non-logical impulses of industrial groups might be nurtured through teamwork, he was most enamoured with the variety of teamwork which “comes into being only when someone in authority, or conceived by the workers as representing authority, definitely works to create it” (cited in Rose, 1975: 123). As Huczynski has commented, early human relations strategies can therefore be viewed as an attempt to “establish community relationships in the context of subdivided labour, unquestioned management authority over job design and planning, management evaluation of performance, and wage payment, and unchanged hierarchies of power” (Huczynski, 1996: 82).

By conceptually reconfiguring the informal group around the construct of non-logical sociability, Mayo tied the welfare of the group to the interests of management:

Instead of conveying the depressing message that informal groups worked against management wishes, Mayo became the hero of the age by providing a new gospel. Managers could smile once more and could hope to manipulate the informal group. The solution that he offered was simple. Because the workers’ need to belong was so obsessive, their emotions would lead them to espouse the cause of any group which had exhibited social concern for them. Workers were therefore psychologically vulnerable to capture. The informal group captured the individual, but the firm could capture the informal group.

Pareto thus offers a cyclical theory of change. For an examination of Pareto’s original work, see Pareto’s *A Treatise on General Sociology* (1935).

Mayo had the formula with which to do this. All the previously bad references to groups were wiped clean and, as far as management was concerned, group theory began (again) with Mayo (Huczynski, 1996: 18).

By forging an association between the mental well-being of the worker and the corporate goal of increased productivity and profit, Mayo promoted a 'harmony of interests' between workers and management even more vehemently than Taylor, assuming that the interests of the individual and the organisation were identical and that there was no fundamental conflict of interests between workers and managers. Where conflict existed, it was pathologised as 'irrational' conduct or problems of maladjustment. Since conflict was believed to be linked to poor performance, management's smoothing out of organisational conflicts, it was hoped, would also result in higher productivity (Huczynski, 1996: 82-83). By promoting the 'family' concept within the organisation, Mayo believed that management might avoid the need for structural redesigns of the workplace. Hierarchy and authoritarianism could effectively be retained "in the guise of a paternalistic interest in the worker who would respond in a filial manner" (Huczynski: 17-18).

Scientific Management and Human Relations as Oppositional Managerial Styles

As Child has pointed out, the search for a "one best way" was motivated by the managerial imperative to establish a basis for its authority:

Management's claim to professionalism, for instance, was only plausible if it could be shown to possess some uniform and generalised body of knowledge upon which its practitioners could draw. The so-called 'principles of management' could be presented as a theoretical base upon which the subject of 'management' rested (cited in Thompson and McHugh, 1995: 103).

Where Taylor's 'scientific' approach brought to the field of management an air of credibility, Mayo's theoretical musings afforded it a more positive self-image. As Rose puts it: "What, after all, could be more appealing than to be told that one's subordinates are non-logical; that their uncooperativeness is a frustrated urge to collaborate; that their demands for cash mask a need for your approval; and that you have a historic destiny as a broker of social harmony" (1975: 124)?

While scientific management and human relations disagreed as to the 'best' way to organise the workplace, they both accepted the goal of organisational efficiency as the 'rational' end to their organisational pursuits. Both approaches, in this sense, were expressions of a managerial rationality that contrasted very sharply with the reason of workers. Unlike the radical labour movement, which spoke of a new social vision, human relations spoke instead of a new 'enlightened' strategy that was to be applied within the parameters and cost assessments of a calculative managerial rationality (Fox, 1990: 189). It was primarily concerned with discerning the situations in which workers would be maximally productive and indicating the importance of social factors such as work group cohesiveness or token employee involvement in the creation of such conditions (Hamilton, 1980:48). Although it responded to the genuine alienation of workers under scientific management, it did so in such a way as to harness and deflect the potential that arose from such alienation, reducing it to the dimensions of the firm and to co-operation with employers and management. It is for this reason that writers such as Braverman have drawn attention to the complementary nature of scientific management and human relations:

Work itself is organized according to Taylorian principles, while personnel

departments and academics have busied themselves with the selection, training, manipulation, pacification, and adjustment of 'manpower' to suit the work processes so organized. Taylorism dominates the world of production; the practitioners of 'human relations' and 'industrial psychology' are the maintenance crew for the human machinery (1974: 87).

When conceptualised in terms of a relative shift from disciplinary to pastoral technology, a Foucauldian approach would also emphasise the interactive and complementary nature of scientific management and human relations. According to Foucault: "We must not understand the exercise of power as pure violence or strict coercion. Power consists in complex relations; these relations involve a set of rational techniques, and the efficiency of those techniques is due to a subtle integration of coercion-technologies and self-technologies" (1999d: 162-163). Adopting a Foucauldian approach, Townley (1994) argues that the tendency to construct both scientific management and human relations in antithetical terms is misleading because it is based upon a mind-body distinction that privileges the nature or content of knowledge rather than the way it is produced and its effects. Whether the primary focus was physical strength or attitudes, both scientific management and human relations approached the body in such a way as to render it knowable and increase its productive capacity. Although human relations expanded the knowledge of the individual, especially in relation to the group, Townley argues that this does not constitute a departure from the power/knowledge practices associated with scientific management:

It is a process of objectification—the reduction of individuals to standardized, describable, and measurable dimensions. Human relations, although presented as recognizing the human side of the employee, is merely the intensification of knowledge. Measurement and performance are not downgraded but merely take different forms. In this sense there was no paradigm shift, merely an *intensification* of the process involved. Both

Taylorism and human relations were simultaneously involved in the will to knowledge (1991: 92, emphasis original).

Viewed in terms of a technology, human relations developed a range of techniques designed to gain knowledge of workers' customs, prejudices and psyches—variables which scientific management had ignored. In this sense, human relations represented more a completion of, as opposed to an alternative to, scientific management.

Many managerial texts, however, continue to frame human relations both in terms of a radical alternative to scientific management and a 'rediscovery' of the social character of work (Patzig and Zimmerman, 1985). Initially, this misunderstanding can be attributed to a general inaccessibility of the scientific results associated with the Hawthorne experiments. Roethlisberger's and Dickson's *Management and the Worker*, and Whitehead's *The Industrial Worker*, the most factual accounts of these experiments, appeared long after the original experiments had concluded (Rose, 1975: 118). In the interim, the most highly publicised accounts of these experiments were those of Mayo, whose interpretation of the experimental results was grossly misleading.

Alternative accounts of the Hawthorne data have, however, been readily accessible for some time (see for example: Carey, 1967; Rose, 1975; Franke and Kaul, 1978 and Gillespie, 1991). Yet still, the tendency to treat scientific management and human relations as antithetical managerial approaches persists within the field of management. Patzig and Zimmerman (1985) reported widespread inaccuracies in the reporting of management ideas associated with Taylorism and human relations in managerial textbooks. Much of the present confusion, they argue, is attributable to a general

reluctance on the part of lecturers to take the time to return to original sources. This teaching of inaccurate history, they suggest, results in the creation of ‘pseudo-history’ whereby many managers emerge with a mistaken grasp of basic associated concepts¹⁵.

Neo-Human Relations

Commentators are divided in their assessment of the overall success of human relations. Rose has suggested that: “Mayoism emerged rapidly as the twentieth century’s most seductive managerial ideology” (1975: 124). For others, human relations has been regarded as a historically bound managerial approach whose overall impact has been minimal. Braverman, for example—while criticising Hawthorne and Mayo for attempting to habituate the worker to industrial capitalism—suggests that human relations approaches have exercised “little real impact upon the management of worker or work”, primarily due to the natural resistance of workers in the face of such schemes (1974: 145).

¹⁵ Micklethwait and Wooldridge provide an illustration of this ‘creation of pseudo-history’. Arguing that the modern firm can be understood in terms of the contradiction between these two approaches, they provide their readers with the following account: “These contradictions within firms reflect a deeper intellectual confusion at the heart of management theory, which has left it not so much a coherent discipline as a battleground between two radically opposed philosophies. Management theorists usually belong to one of two rival schools, each of which is inspired by a different philosophy of human nature; and management practice has oscillated wildly between these two positions. Scientific management is based on the idea that the average worker is a lazy dolt who is redeemed only by greed. The job of the manager is to break down jobs into their component parts, so that even the dumbest can master them, and design incentive systems, so that even the laziest will exert himself. Humanistic management, on the other hand, is based on the idea that the average worker is a model human being, intelligent, creative, and self-motivating. The job of the manager is to ensure that work is interesting enough to bring out the best in his employees, by dint of devolving decisions to shop-floor workers, creating self-managing teams, and encouraging workers to make decisions about how the company might be improved. This, in essence, is the debate between ‘hard’ and ‘soft’ management (1997: 19-20).

According to Gillespie, most histories of managerial thought generally perceive human relations as failing to 'catch on', primarily due to the rise of industrial unions in the 1930s and 1940s (1991: 227-228).

Although the influence of early human relations may have waned, human relations approaches did not disappear altogether, but resurfaced in the form of a renewed interest in the issue of worker motivation that developed from the mid-1950s onward in psychologistic approaches which consolidated around figures such as Maslow (1943), Herzberg (Herzberg et al., 1959), and McGregor (1960). The central theme within this family of ideas, later referred to as 'neo-human relations' or 'organisational psychology', revolved around a perceived incongruity between the psychological aspirations or needs of the individual and the existing organisational structures and styles of management. To ameliorate this tension, they offered technical organisational prescriptions such as job enrichment, job enlargement and worker participation schemes, which they believed would enable employees to grow and develop within the organization.

The reforms proposed by neo-human relations were, like its human relations predecessor, often highly limited in nature. Herzberg went so far as to caution against workplace participation, arguing that once set in motion, there was no telling where it might lead (Nichols, 1980: 291). Job enrichment schemes were also often highly circumscribed within the bounds of a managerial rationality. Fox comments that:

The language of 'job enrichment' specialists may seem to echo the language of Marx, William Morris, Thomas Carlyle, and others who have thundered against industrialism and its values, but whereas the language of the latter spoke of a new social vision, that of the former speaks of a new 'enlightened' strategy to be applied within the parameters and cost assessments of a calculative managerial rationality which can be, and usually is, applied to

publicly-owned as well as privately-owned means of production (1990: 180).

However, as Silver reminds us, neo-human relations did offer *some* concessions to workers, even if they were highly limited in scope:

All these techniques entail, to a limited extent, concessions to labour: they involve job redesign, an attempt to alleviate boredom; and/or increased degrees of worker participation in job-specific decision-making. These concessions were limited, it is true and contained a hidden face which was usually the real cause of any productivity gains. A full interpretation would have to capture the complex and contradictory nature of these techniques. But they can still be seen, at least partially, as gains won by workers out of the daily struggle at the point of production. Since the Second World War, capital has been willing to experiment with such concessions in the hope of increasing productivity and/or improving capital-labour relations (1987: 125).

Managers' willingness to experiment with concessions may have been influenced by a range of demographic factors. In terms of growth, the U.S. had become the dominant industrial power in a world economy recovering from destruction during World War II. High growth and relatively low unemployment, together with a population of young workers which had been insulated from the shocks of the Depression and economic want, gave rise to more highly publicised dissatisfactions on the part of the American worker:

There was considerable discussion about a 'new breed' of worker who had a disdain for authority, was less interested in work for the sake of it, and had more interest in the elements of work design that would make the job more meaningful and add to the worker's self-fulfilment. The affluence of the period appeared to foster a concern with higher level, self-actualisation needs to which employers felt impelled to respond (Huczynski, 1996: 143).

From the 1980s onward, however, the rise of Asian competition and the American productivity crisis would have a considerable impact on the type of concessions that managers were willing to make. In the face of high and rising unemployment, workers

shifted their attention away from issues of the quality of work to the more pressing concern of whether they were employed at all (Huczynski, 1996: 144). It was within this context that the 'excellence' approach to management developed. While this approach would be perceived through the lens of the success of the Japanese corporation, it would signify a revival of the early human relations techniques associated with the Hawthorne experiments and the work of Elton Mayo.

Chapter Six: 'The New Managerialism'

The 'Japanese Model'

In the 1980s, the stagnation of U.S. mass production industries, the fragility of the U.S. economy and the rise of Japanese competition prompted many western managers to re-evaluate their management style and organisational structures. An important influence was the belief that Japan's superior economic performance was linked to its unique

organisational approach to production.

The Japanese production regime is characterised by ‘just-in-time’ (JIT) production, total quality control (TQC), ‘continuous improvement’ and a focus on efficiency through an elimination of wasted effort. A second key component of the Japanese production model is Total Quality Management (TQM). As Conti and Warner argue, an effective TQM regime is a necessary condition for JIT production and the two terms are becoming increasingly linked through definitions of JIT/TQM regimes. TQM theory and methodology are based in statistical and empirical measurement¹⁶. Its central focus revolves around the idea of meeting or exceeding current and future ‘requirements’ of the ‘customer’. ‘Waste’ reduction is also essential to TQM and ‘quality’, in manufacturing-based TQM is synonymous with ‘zero-defects’. Finally, work practices are also standardised under this system so that they can be measured and ‘continuously improved’. Japanese production regimes have often been celebrated as a distinct and laudable alternative to, or even a reversal of (Womack et al., 1990:101), the conventional Taylorised system of mass commodity production. In contrast to narrowly defined tasks and job specifications, the Japanese ‘lean production’ regime is characterised by extreme labour flexibility and ‘teamwork’. Advocates of JIT/TQM regimes suggest that employees benefit through the implementation of such systems by way of the development of better skills and greater work autonomy.

¹⁶ According to White and Wolfe, TQM is “defined by the statistical control chart”. They suggest that the “hallmark attribute of the TQM approach is that it requires the manager to compile accurate descriptive data about how a process is functioning. This means that records must be kept, for example, of how many errors the individuals in a group of workers are making in performing a task”(1995: 209-210).

Several authors, however, have argued that Taylorism was a greater influence within Japanese industry than generally believed (Cusumano, 1985; Conti and Warner, 1993; Jones, 1997). The Japanese importation of Taylorism occurred shortly before the First World War. Taylor's *Principles of Scientific Management*, translated as *The Secret of Saving Lost Motion* in 1912, sold over one and a half million copies. It was followed by the publication of similar works such as Ikeda Toshiro's *Secrets for Eliminating Futile Work and Increasing Production*, which was also widely disseminated within industry (Conti and Warner, 1993: 32-33). The Japanese also developed a "Taylor Society" which was one of the first to exist outside the U.S. (Conti and Warner, 1993: 32-33.). Perceived as a managerial solution to the growing labour and personnel problems that confronted Japanese business at the time, Taylorism was widely applied within such key industries as Japanese National Railways, the textile industry and, during the 1940s, the auto industry. While some companies within the auto industry, such as Nissan, sought to transfer the Taylor system in its entirety by establishing links with General Motors and hiring U.S. engineers, Toyota, in the 1950s, opted for a selective adaptation of Taylorism in the form of a flexible mass production system which based itself on a 'just in time' formula and a stringent policy of sub-contracting. Although "the new Toyota version of Taylorism" was seldom replicated exactly, the Toyota principles of organisational design came to be embodied in the generic form of JIT manufacturing (Conti and Warner, 1993: 34).

The diffusion of the generic JIT production system suggests that the pre-war influence of scientific management within Japan has now been extended into the post-war period. A number of authors have emphasised the extent to which a Taylorist influence is

discernible within contemporary JIT/TQM regimes. Guillen, for example, argues that:

The contribution of scientific management to lean production is clear: time-and-motion studies and improved accounting methods are used to eliminate waste and unnecessary worker movements, and to reduce changeover times. The goal is to arrive at the “one best way” of organizing manufacturing so that production costs are mimimized, inventories and cycle times drastically reduced, labor productivity boosted, and quality standards raised. Just-in-time, low-cost, high-quality, lean production is the end result (Guillen, 1994: 292).

In the case of TQM, Anderson and Downey argue that:

Unlike Taylorism, which examines first the individual's *tasks* to then build up a model system, TQM generally puts its emphasis on first examining the *system* and then working out the consequences for the individual. The aim is still how to eliminate wasted gestures or parts of the productive process and make the process more efficient. Rather than, as under Taylorism, confined to learning one de-skilled job operation, the TQM worker is forced to perform a number of these de-skilled operations. This is euphemistically called multi-skilling. The division of the work process into rigid cells or units assures that there will be no return to craft skills in the TQM workplace; neither is the worker given any real control over the production process. (Anderson and Downey, 1993: 18-19, emphasis original)

Japanese managers rebuilding their industries in post-war Japan were also very influenced by U.S. human relations approaches. In the 1950s, a range of experts such as Feigenbaum, Juran, and most notably W. Edward Deming, were sent from the U.S. to help regenerate Japanese capitalism in the aftermath of World War II. Deming, the leading figure associated with the TQM approach, did a great deal of consulting work for Japanese companies in the 1950s and 1960s after being at the Hawthorne Works of Western Electric in the 1930s (Guillen, 1994: 294). He endorsed both the classic human relations findings and the neo-human relations approaches associated with Maslow, Herzberg, and his MIT colleague, Douglas McGregor (Ibid.). Gillespie suggests that because Japanese managers believed that

human relations literature provided an accurate depiction of management practices in the U.S., they went much further than their U.S. counterparts in involving workers in production design and quality control (1991: 268).

In this light, it is not surprising that some commentators have discerned a human relations influence within Japanese organisational practices. Guillen, for example, has argued that although TQM is an eclectic approach, when viewed in terms of an ideology it leans toward the familiar human relations approach: “Its rhetoric of ‘total customer satisfaction’ gives the firm a moral mission. It also assigns management a leading role, with the old proposal of upgrading employees from mere subordinates to partners in a team. In addition, TQM underscores cherished values such as personal improvement, growth, and perfection” (1994: 295). Despite a rhetorical emphasis on employee ‘empowerment’, TQM has often been associated with a variety of negative effects in relation to employee interests. Literature drawn from the both private and public sector union studies, for example, highlights a link between the implementation of quality management practices and layoffs, downsizing, privatisation of services, employee incorporation and union ‘substitution’ (e.g. Anderson and Downey: 1993, Parker: 1985, PSAC: 1994, Canadian Auto Workers: 1990, Canadian Union of Public Employees: 1993).

In sum, the American preoccupation with Japanese ‘state of the art’ practices could be seen to reflect a certain irony, inasmuch as U.S. managers sought to re-import the managerial practices which they had promulgated within Japan during the pre- and post-war periods. However, where Taylorism and human relations had retained an appeal within the U.S. as distinct organisational approaches, the Japanese JIT/TQM regime

married these two approaches into a coherent organisational hybrid.

As I have argued, the early shift from Taylorist to human relations constituted a shift of style from a technology of discipline to a ‘pastoral’ technology. As these technologies converge in the Japanese organisational approach, we can begin to discuss such systems by way of reference to Foucault’s notion of ‘governance’, conceptualised as the point at which technologies of domination and the self intersect:

The contact point, where the individuals are driven by others is tied to the way they conduct themselves, is what we can call, I think, government. Governing people, in the broad meaning of the word, governing people is not a way to force people to do what the governor wants; it is always a versatile equilibrium, with complementarity and conflicts between techniques which assure coercion and processes through which the self is constructed or modified by oneself (Foucault, 1999e: 162).

In the following section, I examine the way in which the Japanese organisational hybrid was repatriated within the U.S. through a construct of the ‘excellent’ corporation. In particular, I focus on Peters’ and Waterman’s *In Search of Excellence* (1982), which, I will argue, constituted a specific programme for governing organisational conduct within the corporation.

In Search of Excellence

Overview

The American comparison of performance was brought to the attention of U.S. managers through works such as William Ouchi’s *Theory Z* (1981) and Pascale and Athos’ *The Art of Japanese Management* (1982). Respectively subtitled, “How American

Business Can Meet the Japanese Challenge”, and “Applications for American Executives”, these works clearly implied that U.S. managers stood to learn from Japan. Within the work of such writers, whose approach became known as the ‘excellence’ stream of thought, the influence of human relations was discernible. Ouchi, for example, calls for a renewed focus on ‘human relations’:

As a nation, we have developed a sense of the value of technology and of a scientific approach to it, but we have meanwhile taken people for granted. Our government appropriates hundreds of millions of dollars for research on new techniques in electrical engineering, physics, and astronomy. It supports the development of complex economic ideas. But almost no funds go to develop our understanding of how to manage and organise people at work, and that is what we have to do by studying the Japanese....Up to now American managers have assumed that technology makes for increased productivity. What Theory Z calls for instead is a redirection of attention to human relations in the corporate world (1981: 165).

Although Ouchi was the first to write about the ‘excellent’ corporation, the most celebrated text of the excellence genre was Tom Peters and Robert Waterman’s *In Search of Excellence (ISOE)*. In part, the success of *ISOE* can be linked to its popular appeal. Penned in a style that employed techniques such as anecdotes, memory hooks, and alliteration, *ISOE* marked the beginning of the prolonged success of popular management texts that has occurred over the last two decades. According to Micklethwait and Wooldridge, “[e]ver since *In Search of Excellence*, the guru industry has boomed” (1997: 8).

Whereas managerial texts had formerly been the province of academics, the 1980s marked a period where the non-academic managerial text re-established itself. This, in turn, indicated a shift in the basis of authorisation for managerial texts:

The academic guru work was embedded in academic research which could stand up to academic testing. In contrast, consultant guru theory has showed itself to be sceptical of scientific theories, and parts of it have returned to one

of the less respectable philosophical positions—that of crude empiricism.

The search is on for *what works* (in terms of economic performance), in order to describe the characteristic features that seem to accompany success, so that these can be imitated. The search takes two forms. It either examines what the world's leading economic countries do (e.g. Japan, South Korea, or Taiwan), or focuses on the leading companies about which books were written (IBM in the USA; Marks and Spencer in Britain) (Huczynski, 1996: 108, emphasis original).

Peters and Waterman combine a focus on 'what works' in Japan with a focus on 'what works' in America's leading, or 'excellent', companies. While acknowledging Japan's productive success, they also seek to demystify it, reducing it to one crucial variable—the capacity to create more productive workers:

Sony and Matsushita's success in the United States is a vivid reminder of the likely absence of any 'Eastern magic' underpinning Japan's astounding productivity record. One commentator noted: "The productivity position is not so esoterically Japanese as it is simply human...loyalty, commitment through effective training, personal identification with the company's success and, most simply, the human relationship between the employee and his supervisor." There is one crucial cultural difference, however, that does seem to foster productivity through people in Japan. As a senior Japanese executive explained to us: "We are very different from the rest of the world. Our only natural resource is the hard work of our people" (1982: 39).

However, while isolating the capacity to foster a more productive worker as *essential* to Japanese success, Peters and Waterman suggest that this capacity is not *exclusive* to Japan. It is also characteristic, they argue, of many 'excellent' American companies:

Finally, it dawned on us that we did not have to look all the way to Japan for models with which to attack the corporate malaise that had us in its vicelike grip. We have a host of big American companies that are doing it right from the standpoint of all their constituents—customers, employees, shareholders, and the public at large. They've been doing it right for years. We have simply not paid enough attention to their example. Nor have we attempted to analyze the degree to which what they instinctively do is fully consistent with sound theory (xx).

ISOE might thus be read as an attempt to *repatriate* Japanese organisational success. This approach was undoubtedly a critical factor in the overwhelming success of *ISOE*. Where many writers at the time were pessimistic about America's ability to fight back economically, berating American managers for their shortcomings and failures, Peters and Waterman offered American managers the hopeful message that: "The findings from excellent companies amount to an upbeat message. There is good news from America. Good management practice today is not resident only in Japan" (Peters and Waterman, 1982: xxiii).

In Foucauldian terms, *ISOE* can be conceptualised as a 'programme' for governing organisational conduct within the private sector. Its subtitle, "*Lessons from America's Best-Run Companies*" is instructive. Presented as a guide to all managers on how to make their companies 'excellent', based on seven simple principles¹⁷, its overarching objective is the cultivation of a more productive worker. The text was also supplemented with teaching devices such as video or audio tapes directed to educating audiences on the attributes of excellence (Huczynski, 1996: 219) as well as "Toward Excellence" seminars which sold at \$15,500 plus \$105 per participant for materials (Silver, 1987: 105). Peters went on to establish five companies that would produce an aggregate revenue of four to

¹⁷ In methodological terms, this approach has been sharply criticised. Thomas, for example, points out that the selection criteria for excellent companies and comparative indicators regarding the performance of excellent companies in relation to non-excellent companies is not provided. Rather, analysis assumes a circular quality where companies are selected on the basis of particular attributes and then such attributes are held to account for their success. Generalisations about what is successful are also based on limited numbers of samples observed over a short period of time. Finally, much of the 'evidence' concerning the behaviour of excellent companies has been gleaned from "self-congratulatory, descriptive and anecdotal reports" of the executives of the selected companies (1996: 9-10).

five million dollars¹⁸ (Ibid.).

Theorising the 'Excellent' Corporation

According to Peters and Waterman, poor business performance in the U.S. is attributable to a narrow 'rational' mindset, which they allude to in almost apocalyptic terms:

Professionalism in management is regularly equated with hard-headed rationality. We saw it surface at ITT in Harold Geneen's search for the 'unshakable facts'. It flourished in Vietnam, where success was measured by body counts. Its wizards were the Ford Motor Company's whiz kids, and its grand panjandrum was Robert McNamara. The numerative, rationalist approach to management dominates the business schools. It teaches us that well-trained professional managers can manage anything. It seeks detached, analytical justification for all decisions. It is right enough to be dangerously wrong, and it has arguably led us seriously astray (29).

Echoing those who have argued that the Japanese 'lean production' model constitutes a departure from Taylorist organisational practices, Peters and Waterman advance three arguments against the 'rational' model associated with Taylorism. First, they claim that it has overemphasised financial analysis at the expense of satisfying customers or motivating workers. A preoccupation with cost has led to a corresponding lack of attention to issues of quality and a tendency to treat workers as factors of production rather than sources of innovation. Second, the promotion of economies of scale has resulted in waste and an overemphasis on planning and bureaucratic conformity. Third, and most important, however, is that the 'rational' model is based on a fundamental misinterpretation of human nature.

Peters and Waterman argue that the rational organisational approach associated with Taylorism is beginning to crumble, giving way to a new organisational paradigm:

After a paradigm shift begins, progress is fast though fraught with tension. People get angry. New discoveries pour in to support the new belief system (e.g., those of Kepler and Galileo), and scientific revolution occurs.... The important point in each instance is that the old 'rationality' is eventually replaced with a new, different, and more useful one.

We are urging something of this kind in business. The old rationality is, in our opinion, a direct descendant of Frederick Taylor's school of scientific management and has ceased to be a useful discipline (42).

Leading this paradigm shift are those corporations that Peters and Waterman identify as 'excellent'. According to the authors, the success of excellent companies, "reflects, sometimes without their knowing it, a sound theoretical basis", theory which is not "new or untested", but which has "stood the scientific test of time and defied refutation" (xiii). "The stream that today's researchers are tapping is an old one", they argue, "started in the late 1930s by Elton Mayo and Chester Barnard", two management theorists who, according to Peters and Waterman, "challenged ideas put forward by Max Weber, who defined the bureaucratic form of organization, and Frederick Taylor, who implied that management really can be made into an exact science" (5). While the work of Chester Barnard was largely overlooked by managers, the theories of Mayo and later human relations theorists such as Douglas McGregor were discredited, they argued, primarily due to "naïve disciples [who] perverted their ideas" (99). No less, perhaps, the naïve disciples, Peters and Waterman proceed to credit Mayo with a direct role in the lighting experiments in which he was never directly involved:

Mayo started out four-square in the mainstream of the rationalist school and

¹⁸ This figure was reported by Silver in 1987. Given the steady rise in the popularity of Peters, his corporate revenues would now be considerably higher.

ended up challenging, de facto, a good bit of it. On the shop floors of Western Electric's Hawthorne plant, he tried to demonstrate that better work place hygiene would have a direct and positive effect on worker productivity. So he turned up the lights. Productivity went up, as predicted. Then, as he prepared to turn his attention to another factor, he routinely turned the lights back down. Productivity went up again! For us, the very important message of the research that these actions spawned, and a theme we shall return to continually in the book, is that it is *attention to employees*, not work conditions per se, that has the dominant impact on productivity. (Many of our best companies, one friend observed, seem to reduce management to merely creating "an endless stream of Hawthorne effects.") It doesn't fit the rationalist view (5-6, emphasis original).

The authors further propose that the misinterpretation¹⁹ of human relations has resulted in its subsequent failure "to be seen as a balance to the excesses of the rational model, a failure ordained by its own equally silly excesses" (95). The result, Peters and Waterman suggest, is that "[w]hereas the rational model was a pure top-down play, the social model...became a pure bottom-up play, an attempt to start revolutions via the training department" (96). To avoid either extreme, Peters and Waterman recommend the development of a more 'balanced' approach. The "first balanced treatment of the management process", they propose, can be found in the work of the human relations theorist Chester Barnard (97).

According to Gillespie, Barnard, a contemporary of Mayo's and president of New Jersey Bell had "by his own account...read Mayo's *Human Problems* and immediately recognized the parallels between informal organization on the shop floor and that in the

¹⁹ This misinterpretation, they suggest, has developed largely as the result of a confusion concerning the human relations stance on managerial authority within the organization—a confusion associated with the work of neo-human relations theorist, Douglas McGregor, in particular. McGregor, they maintain, held that "[t]he assumptions of Theory Y do not deny the appropriateness of authority", but only "that it is appropriate for all purposes and under all circumstances" (95). Managers have incorrectly interpreted this to mean that management must become more democratic.

central office, between the task of the supervisor and that of the executive” (1991: 247). Acknowledging a debt to Mayo and other key Hawthorne thinkers in his 1938 classic, *Functions of the Executive*, Barnard extended Mayo’s emphasis on the role of management in shaping the informal organisation by suggesting that co-ordination was still necessary to construct a system, especially since a sense of common purpose was often missing amongst the ‘lower participants’ (Gillespie, 1991: 247; Thompson and McHugh, 1995: 51). Yet, while he extended Mayo’s thought, he also exceeded it by promoting a more extreme identification with the formal organisation, one that did not allow for the limited human relations’ emphasis on sympathetic supervision and controlled participation. Executives, he believed, must ensure even “the willingness of persons to contribute efforts to the co-operative system” and this requires that management preserve a “fiction of authority”, which ensures “a presumption among individuals in favour of the acceptability of orders from superiors” (cited in Huczynski, 1996: 94). Arguing that unequal power or resources were largely irrelevant against the ‘fact’ that individuals willingly submitted themselves to common goals that were not achievable without co-operation, Barnard’s approach was devoid of any concern for the negative effects of power and domination within the organisation. While Peters and Waterman are, as management consultants, understandably attracted to the Barnardian notion that “the real role of the chief executive is to manage the *values* of the organization” (Peters and Waterman: 26, emphasis original), their claims that Barnard’s work offers a more ‘balanced’ approach are not only unjustifiable, but deceitful.

‘Irrational’ Man Revisited

The “central problem with the rationalist view of organising people”, according to Peters and Waterman is that “people are not very rational”; “[t]o fit Taylor’s old model, or today’s organizational charts, man is simply designed wrong”(55). If we are to understand “why the excellent companies are so effective in engendering both commitment and regular innovation from tens of thousands or even hundreds of thousands of people”, Peters and Waterman insist that “we have to take into account the way they deal with the following contradictions that are built into human nature” (55). Unafraid to dabble in the realm of ontology, they thus purport to give us the low-down on human nature. Turning once more to the field of psychoanalysis, Peters and Waterman offer a crude managerial rendering of the work of psychoanalyst Ernest Becker. “Man is driven by an essential ‘dualism’”, they argue: “He needs both to be a part of something and to stick out. He needs at one and the same time to be a conforming member of a winning team and to be a star in his own right”(xxi). On the basis of this perceived ‘paradox’, Peters and Waterman, like Mayo, conclude that “man is quite strikingly irrational”. However, where Mayo surmised that this ‘irrationality’ was borne of a tension between a pre-industrial urge to collaborate and the individualising pressures of modern industrialism and urbanisation, Peters and Waterman locate this tension more deeply within the human psyche as an *essential* quality of human nature.

Where Mayo sought to reinforce his hypothetical formulations by coveting physiological evidence in the form of a fatigue/blood pressure/Bolshevism link, Peters and Waterman garner ‘evidence’ for their hypothesis through the pseudo-scientific literature that

posits a distinction between the ‘logical and rational’ left hemisphere and the ‘artistic’, ‘intuitive’ and ‘creative’ right hemisphere of the brain. They conclude that “ [w]e ‘reason’ with our intuitive side just as much as, and perhaps more than, with our logical side”(63). We “reason with simple decision rules, which is a fancy way of saying that, in this complex world, [we] trust our gut” (63) and “we are more influenced by stories (vignettes that are whole and make sense in themselves) than by data (which are, by definition, utterly abstract)” (61). Although “science and mathematics are thought by many to be the mecca of logical thought...“logic is not the true engine of scientific progress” (61). Thus: “When McDonald’s former chairman Ray Kroc waxed poetic about hamburger buns, he hadn’t taken leave of his senses; he simply recognized the importance of beauty as a starting point for the business logic that ensues” (61). Combining their psychoanalytic musings with their facile deductions on right/left brain distinctions, Peters and Waterman hastily conclude that:

The total of left- and right-brain research suggests simply that businesses are full (100 percent) of highly “irrational” (by left-brain standards), emotional human beings: people who want desperately to be on winning teams (“seek transcendence”); individuals who thrive on the camaraderie of an effective small group or unit setting (“avoid isolation”); creatures who want to be made to feel that they are in at least partial control of their destinies (“fear helplessness”) (60).

“[T]he organizational implications of this line of reasoning are”, they believe, “inescapable” (89). Peters and Waterman thus importune American management to take the ‘paradoxical’ needs of their employees into account.

Pastoral Technology and the Excellent Corporation

Peters and Waterman believe that the psychoanalytic insight into the ‘paradoxical’

nature of the human interior serves as an important pointer to a more enlightened means of corporate governance. Although “nonexcellent performers” seem to act “almost perversely” in relation to these basic human needs through norms such as “constraint and control rather than soaring meaning and a chance to sally forth...excellent company managements... do take these things into account—either consciously or unconsciously” (86). While the authors “seriously doubt that the excellent companies have explicitly proceeded from right-brain considerations in developing their management practices...the effect is such that it appears that they have, especially in relation to their competitors...they simply allow for—and take advantage of—the emotional, more primitive side (good and bad) of human nature” (60).

In contrast to the extremes of a ‘top-down’ or ‘bottoms-up’ organisational approach, Peters and Waterman suggest that excellent companies are characterised by ‘loose-tight’ organisational principles:

Simultaneous loose-tight properties...embraces much of what has come before and emerged, to our pleasant surprise, through the process of synthesis. It is in essence the co-existence of firm central direction and maximum individual autonomy—what we call ‘having one’s cake and eating it too.’ Organizations that live by the loose-tight principle are on the one hand rigidly controlled, yet at the same time allow (indeed, insist on) autonomy, entrepreneurship, and innovation from the rank and file (318).

One the one hand, this is achieved “literally through ‘faith’—through value systems. On the other, it is developed “through painstaking attention to detail, to getting the ‘itty-bitty, teeny-tiny things’ right”(318). Both of these properties, Peters and Waterman maintain, are essential features of the excellent corporation.

The authors draw attention to the way in which excellent companies actively create

‘organisational cultures’. “Culture”, here, represents a “set of rigidly shared values” (320), “a value set for all seasons... executed by attention to mundane, nitty-gritty details. Every minute, every hour, every day is an opportunity to act in support of overarching schemes” (324). Values, they believe, are essential to the ‘excellent’ company because the decline of traditional social structures has left the individual with little moral guidance. According to Peters and Waterman, 3M’s chairman, Lew Lehr, states the case best:

Companies like 3M have become sort of a community center for employees, as opposed to just a place to work. We have employee clubs, intramural sports, travel clubs, and a choral group. This has happened because the community in which people live has become so mobile that it is no longer an outlet for the individual. The schools are no longer a social center for the family. The churches have lost their drawing power as social-family centers. With the breakdown of these traditional structures, certain companies have filled the void. They have become sort of mother institutions, but have maintained their spirit of entrepreneurship at the same time (261).

“So strong is the need for meaning”, Peters and Waterman argue, “that most people will yield a fair degree of latitude or freedom to institutions that give it to them”(77). In the face of this latter day ‘anomie’, Peters and Waterman reaffirm the capacity of the organisation to serve as a sort of ‘moral cocoon’ in which forms of pre-industrial solidarity similar to Tonnies’ *‘Gemeinschaft’* or Durkheim’s ‘mechanical solidarity’ can flourish. This corporate socialising process is held to have broad and positive social consequences because, the authors argue, “these institutions create environments in which people can blossom, develop self-esteem, and otherwise be excited participants in the business and society as a whole” (86). However, they suggest that “men willingly shackle themselves to the nine-to five if only the cause is perceived to be in some sense great”(xxi). It is in this last

respect that the manager has a crucial role to play.

Excellent Leadership: The ‘pastor’ and the ‘non-logical’ flock

All that stuff you have been dismissing for so long as the intractable, irrational, intuitive, informal organization *can* be managed (Peters and Waterman: 11, emphasis original).

Peters and Waterman adopt Warren Bennis’ notion of “social architect” as a “good metaphor” for the leader within the excellent corporation (85). Acknowledging an intellectual debt to Chester Barnard, the authors designate the role of the manager (senior managers, in particular) as that of articulating, disseminating, and controlling values within the organisation:

It is obvious to managers like Thomas Watson, Sr., that values are paramount. But how are they laid down? Here, too, we found striking correlations. As the excellent companies are driven by coherent value systems, so virtually all of them were marked by the personality of a leader who laid down the value set...(287)

Social engineering, however, is not for the faint of heart. While “[c]larifying the value system and breathing life into it are the greatest contributions a leader can make...creating and instilling a value system isn’t easy...because few of all possible value systems are really right for a given company... and... instilling the system is backbreaking work” (291). Yet, the managers in the excellent companies are no ordinary leaders. They are, rather, the ‘transforming leaders’ described by political scientist James MacGregor Burns in his book, *Leadership*. Peters and Waterman cite Burns approvingly:

[Transforming leadership] occurs when one or more persons *engage* with others in such a way that leaders and followers raise one another to higher levels of motivation and morality. Their purposes, which might have started out separate but related, in the case of transactional leadership, become

fused. Power bases are linked not as counterweights but as mutual support for common purpose. Various names are used for such leadership: elevating, mobilizing, inspiring, exalting, uplifting, exhorting, evangelizing. The relationship can be moralistic, of course. But transforming leadership ultimately becomes *moral* in that it raises the level of human conduct and ethical aspiration of both the leader and the led, and thus has a transforming effect on both....Transforming leadership is dynamic leadership in the sense that the leaders throw themselves into a relationship with followers who will feel 'elevated' by it and often become more active themselves, thereby creating new cadres of leaders (Burns, cited in Peters and Waterman: 83, emphasis original)

Peters and Waterman are "fairly sure that the culture of almost every excellent company that seems now to be meeting the needs of 'irrational man'...can be traced to transforming leadership somewhere in its history" (82).

Transforming leaders appear to possess the same "dynamogenic" capacity that Durkheim associated with religion; that is, they possess a capacity not only to dominate individuals, but to elevate them above mundane affairs and ordinary capabilities (Jones, 1986). Like the Foucauldian 'pastor' (or 'shepherd'), the 'excellent' leader must, according to Peters and Waterman, "be the master of two ends of the spectrum: ideas at the highest level of abstraction and actions at the most mundane level of detail". On the one hand, the "value-shaping leader is concerned...with soaring, lofty visions that will generate excitement and enthusiasm for tens or hundreds of thousands of people. That's where the pathfinding role is critically important". On the other hand, "the leader is a bug for detail, and directly instills values through deeds rather than words: no opportunity is too small" (287). The 'transforming leader' thus seemingly straddles the Durkheimian spheres of the sacred and the profane:

The transforming leader is concerned with minutiae as well. But he is concerned with a different kind of minutiae; he is concerned with the tricks of

the pedagogue, the mentor, the linguist—the more successfully to become the value shaper, the exemplar, the maker of meanings. His job is much tougher than that of the transactional leader, for he is the true artist, the true pathfinder. After all, he is both calling forth and exemplifying the urge for transcendence that unites us all (82-83).

Excellent leaders, according to Peters and Waterman, “believe, like an evangelist, in constantly preaching the ‘truth’, not from their office but away from it—in the field. They travel more, and they spend more time, especially with juniors, down the line” (288).

Yet, the role of the transforming leader is not limited to that of teacher or spiritual director. Peters and Waterman also draw attention to Burns’ observation that transforming leaders are appealing to certain unconscious needs. For Burns: “The fundamental process is an elusive one; it is, in large part, *to make conscious what lies unconscious among followers*” (cited in Peters and Waterman: 83-84, emphasis original). Here, the Freudian influence that figured so prominently in the work of Mayo is discernible once more as the managerial role assumes a hermeneutic function in relation to the desires of the individual employee. The pastoral technique of confession, however, exists in a form that is more narrowly circumscribed in two ways. First, in terms of its therapeutic potential, the confession is reduced in scope from that of a vehicle through which employees can ‘talk off’ their grievances to a vehicle through which employees will identify more strongly with their work if they are given “a little say so” (Peters and Waterman: 29). Second, the subjective content of the confession is more heavily censored within the excellent corporation. In contrast to Mayoist censorship, which manifested as the industrial counsellor’s discretion in evaluating which of the employee opinions were valid and which were not, censorship in the ‘excellent’ corporation manifests as an injunction to

contribute certain kinds of opinion—most notably suggestions and innovations that will add to the corporation's productivity. At Dana, for example, Peters and Waterman draw attention to the way in which corporate head, Rene McPherson, understands the value of listening to employees:

The McPherson philosophy comes down to the value of everyone's contributing ideas, not just keeping up the pace on the line. "The way you stay fresh," stresses McPherson, "is you never stop travelling, you never stop listening. You never stop asking people what they think" (Peters and Waterman: 252).

Thus, in contrast to Mayo's explicitly psychopathological approach, Peters and Waterman are generally uninterested in the subjective feelings of the individual worker. According to Gillespie, the lack of attention to employee feelings which characterises the excellence literature may relate to the fact that the industrial workforce of the 1980s has been relatively quiescent in comparison with the militant workers of the 1940s (Gillespie, 1991: 270). For Peters and Waterman, what 'lies unconscious' within the 'excellent' employee is not rumblings of discontent in relation to authority or job conditions, for *ISOE* makes no reference to any such misgivings. What does 'lay unconscious' within the employee is a reservoir of productive potential that requires only to be tapped by management. It is in this sense that "[t]he deepest needs of hundreds of thousands of individuals are tapped—exploited, if you will—by the excellent companies" (Peters and Waterman: xiii) and it is in this sense that "excellent companies...are organized to obtain extraordinary effort from ordinary human beings" (Peters and Waterman: 81). Within the 'excellent' corporation, the manifestation of 'truth' is higher productivity.

The 'transforming' manager also acts as a 'spiritual father' within the organisation

through the ‘pastoral’ function of uniting the group and ensuring its welfare. “Caring runs in the veins of the managers of these institutions”(239), Peters and Waterman assure us, pointing to evidence such as the refrain from the IBM songbook: “‘We know and we love you, and we know you have our welfare in your heart’—the ‘you’ in the song being, of course, the senior Watson” (259). Within the excellent corporation, the corporate ‘family’ is implicitly perceived as ‘non-logical’ in a Mayoist sense. Logic appears to be socially derived and individuals are held to respond to situations without really understanding them. It is for this reason that myth and symbol have such a vital role to play within the excellent corporation. According to Peters and Waterman, the reason that “shared values in the excellent companies are clear, in large measure [is] because the mythology is rich” (76):

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 days, people like Watson and A. P. Giannini at Bank of America take on roles of mythic proportions that the real persons would have been hard-pressed to fill. Nevertheless, in an organizational sense, these stories, myths, and legends appear to be very important, because they convey the organization’s shared values, or culture (75).

Peters and Waterman actively promote the use of story and myth as a means to organisational deification. “[A]s it turns out”, they inform us, “excellent companies are unashamed collectors and tellers of stories, of legends, and myths in support of their basic beliefs” (282). HP, for example, “takes the direct approach by filling its basic indoctrination book, *The HP Way*, with vignettes about those who started at the bottom

and made it to the top. HP even systematically collects ‘HP Way stories’ via the suggestion box to add to and revitalize the stock” (Peters and Waterman, 266). The authors also emphasise the extent to which language can be employed as a means of shaping the unconscious conduct and subjectivity of the employee:

As we step back from the analysis of people and productivity, we find a number of strikingly similar themes running through the excellent companies data. First is language. *The language in people-oriented institutions has a common flavor.* In many respects, form precedes substance. We have seen it happen with some of our clients. Once they start talking the philosophy, they may start living it, even if, initially, the words have no meaning. For example, we doubt that the “HP Way” meant very much to anyone in Hewlett-Packard when the language was first introduced. As time went by, we suspect that the phrase took on deeper and richer meanings in ways that no one would have suspected—not even Hewlett or Packard (260, emphasis original).

“And the language *is* different”, Peters and Waterman assure us: “The war stories in the less well performing institutions do not refer nearly so much to the care, handling, and feeding of employees as they do at a Dana, a Digital, or an IBM” (241, emphasis original). Most impressive of all the language characteristics observed by Peters and Waterman, however, were “phrases that upgrade the status of the individual employee”: “Again, we know it sounds corny, but words like Associate (Wal-Mart), Crew Member (McDonald’s) and Cast Member (Disney) describe the very special importance of the individuals in the excellent companies” (261). The authors also found “prevalent use of the specific terms “family,” “extended family,” or “family feeling” at Wal-Mart, Tandem, HP, Disney, Dana, Tupperware, McDonald’s, Delta, IBM, TI, Levi Strauss, Blue Bell, Kodak, and P&G”, leading them to conclude that “*Many of the best companies really do view themselves as an extended family*” (261, emphasis original).

Peters and Waterman remind us that while “we are almost too willing to yield to institutions that give us meaning and thus a sense of security, we also want self-determination” (80). Although this is “certainly irrational...those who don’t somehow learn to manage the tension are, in fact, technically insane” (80). How does management stave off this looming threat? Eschewing any concern that employee desires for self-determination might be based on ‘rational’ concerns that flow from a context of organisational inequality, Peter and Waterman, like Mayo, urge that it is sufficient to address these needs at the level of ‘sentiment’:

Psychologists study the need for self-determination in a field called ‘illusion of control’. Stated simply, its findings indicate that if people think they have even modest personal control over their destinies, they will persist at tasks. They will do better at them. They will become more committed to them....If a subject is given four cans of unmarked soft drinks to taste and then asked to choose his favourite, he will like his first choice much better than if the choice had been restricted to only two cans. (The drinks are the same beverage in all cases.) The fact, again, that we *think* we have a *bit* more discretion leads to *much* greater commitment (80-81, emphasis original).

With respect to fostering within workers a *sense* of a capacity to shape their destiny, Peters and Waterman assert that “[n]othing is more powerful than positive reinforcement”(269). Drawing upon psychological behaviourist Skinner’s observations on the effectiveness of intermittent reinforcement, the authors arrive at the Mayoist conclusion that non-monetary incentives are often the most effective in motivating employees:

...small rewards are frequently more effective than large ones. Big bonuses often become political, and they discourage legions of workers who don’t get them but think they deserve them. Remember, we all think we’re winners. Have you ever been around a member of a product launch team who didn’t think that it was really his personal contribution that turned the tide in getting the new widget out the door? The small reward, the symbolic one, becomes a cause for positive celebration rather than the focus of a negative political battle (71).

Excellent companies thus: “make extraordinary use of non-monetary incentives. They are full of hoopla” (58). Positive reinforcement can be directed towards the individual, as in the case of McDonald’s, Tupperware, or IBM, where: “[t]he volume of contrived opportunities for showering pins, buttons, badges, and medals on people is staggering”(269). Alternatively, it may be directed at the group or organisational level through collective rites and rituals aimed at instilling a sense of group identification with the organisation. In Wal-Mart, for example: “There are ‘honour roll’ stores, *every week*. And every week the ‘SWAT’ team that swoops down to remodel stores testifies to jobs well done. Mr. Sam stands up and yells, “Who’s number one?” And everyone, of course, yells back “Wal-Mart!”” (247, emphasis original). What Peters and Waterman identify as the most effective form of positive reinforcement, however, is that “*intangible* but ever-so-meaningful attention from top management” because, “[w]hen you think about it, with management’s time being as scarce as it is, that form of reinforcement may be the most powerful of all” (71, emphasis original). The effect of utilising positive reinforcement, unsurprisingly, is higher productivity. “When the number of awards is high”, Peters and Waterman reason: “it makes the perceived possibility of winning something high as well. And then the average man will stretch to achieve” (269).

Peters and Waterman also found that “[t]he love of the product and customer was palpable” within the excellent corporations (16). Moreover, they ‘discovered’ that “the content of the culture” within the excellent corporations “was invariably limited to just a handful of themes” which centred around these twin ‘values’: “Whether bending tin, frying

hamburgers, or providing rooms for rent, virtually all of the excellent companies had, it seemed, defined themselves as de facto service businesses” (xx). The overarching cultural values of ‘product’ and ‘customer’, according to Peters and Waterman, provide a crucial means through which the individual employee can achieve a type of ‘spiritual transcendence’:

Perhaps transcendence is too great a term for the business world, but the love of product at Cat, Bechtel, and J&J comes very close to meriting it. Whatever the case, we find it compelling that so many thinkers from so many fields agree on the dominating need of human beings to find meaning and transcend mundane things. Nietzsche believed that “he who has a *why* to live for can bear almost any *how*.” John Gardner observes in *Morale*, “Man is a stubborn seeker of meaning” (Peters and Waterman: 76, emphasis original).

‘Customer’ and ‘product’ also represent an effective means through which management can effectively sublimate and channel the irrational desires of employees. For example, “in observing the excellent companies, and specifically the way they interact with their customers”, Peters and Waterman found “the consistent presence of *obsession*” which “characteristically occurred as a seemingly unjustifiable overcommitment to some form of quality, reliability or service” (157, emphasis original). In extreme cases, an intense love of product can give rise to “product champions”—“zealot[s] or fanatic[s] in the ranks” (208) “who believe so strongly in their ideas that they take it on themselves to damn the bureaucracy and manoeuvre their projects through the system and out to their customer” (xvi). In refusing to renounce their faith in the product, ‘champions’ place themselves at great risk; the authors even cite one anonymous commentator who shouts: “Champions! Our only problem is we can’t kill them” (xvi). Peters and Waterman conclude that: “Champions are pioneers, and pioneers get shot at” (211).

Perhaps ‘colonist’ is a more apt characterisation. Where Mayo’s ‘irrational radical’—whether union leader, Bolshevik, or ‘soldierer’—was a figure born on a ground that was colonised by managerial definitions of ‘rational’, Peters and Waterman’s ‘champion’ now appropriates even the discursive terrain of the ‘radical’. Lacking a space in which to be articulated, union leaders, ‘soldierers’, or latter-day Bolsheviks seemingly do not exist in the excellent corporation. Once more, worker and manager interests are one.

The Discipline of ‘Excellence’

Peters and Waterman’s preoccupation with values and culture might lead one to believe that they have dispensed with the need for formal organisational structure altogether. Indeed, an essential aspect of their ‘anti-rationalist’ diatribe is an emphasis on ‘flattening organisational hierarchies’. “Pushing authority far down the line” and “preserving and maximizing practical autonomy for large numbers of people”, they insist, demands “lean staff, especially at the corporate level”(310-311). The “bottom line” is thus “fewer administrators, more operators”...and with “rare exception, it seems there is seldom need for more than 100 people in the corporate headquarters”, a dictum which Peters and Waterman refer to as “rule of 100” (311). However, as Thompson has argued, flattening organisational hierarchies in this manner does not necessarily translate into relaxed central controls and automatic empowerment of the lower rungs on the organisational ladder:

Companies such as MacDonalds and Coloroll claim ‘no-boss’ structures, yet there are elaborate hierarchies based on incentives, badges, and grades. Removing some of the middle layers of organisations is not the same as altering the basic power structure. For example, special management teams can cut across existing hierarchies and strengthen overall corporate goals at the expense of the potentially conflicting demands from rival departments.

By cutting out intermediary levels and getting project teams to report directly to senior management, the power resources of those at the top can be increased. The increasingly popular anti-bureaucracy device of removing 'time-wasting' committees removes the main base for the formation of coalitions that have traditionally been a source of countervailing power in organisations (1993: 192).

Despite their anti-rationalist rhetoric, control achieved through structure and discipline is an integral feature of the 'excellent' way. The suggestion that companies such as McDonald's are leading the anti-rationalist parade is revealing. According to Peters and Waterman:

McDonald's talks endlessly about the individual's contribution. Kroc argues, "A well-run restaurant is like a winning baseball team, it makes the most of every crew member's talent and takes advantage of every split-second opportunity to speed up service." Kroc focuses on the little things: "I emphasize the importance of details. You must perfect every fundamental of your business if you expect it to perform well." Getting the details right, McDonalds way, requires an astonishing amount of learning and intensity. Says a former employee, "When I first started, they put a little white hat on me that said 'trainee'. They started me right off in the easiest of the jobs—cooking french fries. Then I moved to fries and shakes. So it went, on up to handling the buns and cooking the burgers. We only had one small room where we could take breaks. There was a TV and cassette going on all the time, stressing some aspect or another of the way McDonald's does things. How to cook a better burger, how to keep the fries crisp, the whole bit" (255).

'The Book', at McDonald's, serves the same function as Taylor's 'instruction card' did in the early industrial factory; it dictates the specific manner in which work must be performed. "Cooks", for instance, "must turn, never flip, hamburgers" and "Big Macs must be discarded in ten minutes after being cooked and french fries in seven minutes" if they have not been purchased (256). In requiring, however, that "[c]ashiers must make eye contact with and smile at every customer"(256), 'the Book' extends Taylorist control into hitherto unrealised realms. As Ritzer has observed, McDonalds 'Taylorises' not only

workers' skills, but also their *verbal* and *interactive* skills. He argues that "just as management has long 'conceived' what employees are supposed to do, it now 'conceives' what they are supposed to say and how they are supposed to say it, and in both action and interaction employees have little choice but to 'execute' management's demands" (Ritzer, cited in Warhurst and Thompson: 1998: 5).

Peters and Waterman, however, downplay the overtly Taylorist features of the 'McDonald's Way', arguing that "[d]espite the rigidity of procedure surrounding many such areas, store managers are encouraged to exercise autonomy and keep things lively"(256). As an illustration of such liveliness, they cite an anonymous McDonald's employee: "We always got paid a dollar for making a record amount of sales for an hour. Also, if you had a three hundred dollar hour (in food sales) you got a dollar. Everyone working that period got a dollar. On the record days you got two dollars. We were all shooting for the extra bucks. It meant something" (256). Given that Taylor conceived of the individual as an economically rational actor who would be most successfully motivated through extrinsic satisfactions such as monetary rewards, it is not clear how Peters and Waterman believe that this 'lively atmosphere' indicates a movement away from Taylorist rationality. Nor do they offer us any reassurance through their illustration of the McDonald's variety of "hoopla and razzle-dazzle", which, conveyed through an account of a McDonald's employee, seems to suggest that even *recreation* at McDonald's is organised along Taylorist lines:

They have an All-American contest to see who is the best, literally the best hamburger cooker in the country. It means the quickest, but also the most nearly perfect, the top quality, cooking them exactly the way they are supposed to be cooked. To do it really right you get a little thermometer

and you stick it on top of the grill. The grill would be shining, absolutely spotless. Then you lay out the burgers just so, six in a row, perfectly in line. You sear them all with the back of a spatula, you salt them at the right moment, put the onions on at the right moment. Then you take them off properly, lay them on the buns...First, you have the in-store competition to find the best hamburger cooker in the store. The guy who won that then goes on to the regional championships. Then they go to the next level. Finally, they go to the All-American contest—I think it was in Chicago. There was a big trophy involved, and I think there was money involved, but I don't know how much. The important thing was that you got to wear an All-American patch on your shirt (257-258).

We also discover that the leaders of excellent companies share Taylor's approach to calculating a 'fair day's work'. Peters and Waterman inform us that 'excellent' leaders are "seemingly unjustified in what they believe the worker is capable of doing" (324). They are also "seemingly unjustified in believing that every product can be of the highest quality", that "service can be maintained at a high standard for virtually every customer", and that "virtually every worker can contribute suggestions regularly" (324-325). What's more, Peters and Waterman discover, as Taylor did, that these unjustifiable expectations "may be the true key to inducing astonishing contributions from tens of thousands of people" (325). While acknowledging that the 'tough side' of the people orientation "is, in fact, probably tougher than that found in the less excellent and typically more formal systems-driven companies", Peters and Waterman attribute this to the fact that "nothing is more enticing than the feeling of being needed, which is the magic that produces high expectations" (240). According to this logic, Taylor might be exculpated for his expectations regarding a 'fair day's work', since such expectations were actually produced by the 'magic' of early industrial employees' desperate cravings to 'belong'.

'High expectations' of employees are not exclusive to management, however. Meeting

customer expectations is key to the 'excellence' approach and it is this "focus on the outside, the external perspective, the attention to the customer [that] is one of the tightest properties of all. In the excellent companies, it is perhaps the most stringent means of self-discipline" (320). 'Excellent' employees also hold high expectations both of themselves and of their peers. According to Peters and Waterman:

We are struck by the importance of available information as the basis for peer comparison. Surprisingly, this is the basic control mechanism in the excellent companies. It is not the military model at all. It is not a chain of command wherein nothing happens until the boss tells somebody to do something. General objectives and values are set forward and information is shared so widely that people know quickly whether or not the job is getting done—and who's doing it well or poorly (266).

As we see in the case of Crompton Corduroy, when used in combination with peer pressure, raw data serves as an important resource through which employees can effectively discipline and monitor themselves. As Peters and Waterman put it:

Some really do believe in the business of sharing information. A striking example comes from Crompton Corduroy. *Fortune* notes that in one old plant, with the push of a few buttons on a console, machine operators can check on their output and compare it with that of their peers. They do check up on themselves, with no coercion, often cutting a lunch break short to stop at the terminal for a readout (266-267).

While acknowledging the disciplinary character of peer pressure, Peters and Waterman downplay its coercive effects, arguing that this form of control does not emanate "from table-pounding managers and complicated control systems" and that people "like to compare themselves to others" and "to perform against standards—if the standard is achievable, and especially if it is one that they played a role in setting" (240). One is led to wonder why, however, if the standard was so achievable in the first place, Peters and

Waterman find peer pressure necessary at all.

Given that the basic form of control within the excellent company is peer pressure, it is not surprising that the excellent corporation establishes the team, or various other small functional units, as the building blocks of the organisation—a process Peters and Waterman refer to as ‘chunking’:

We believe we are breaking some important theoretical ground here. We observed more ‘chunking,’ more breaking things up into manageable units than others professedly have. In theory to date, the small is effective idea is usually limited to discussions of innovativeness by small firms. In most of the excellent companies, however, we see various approaches to chunking as the main tenet of effective management practice. Interestingly, the more we look at the phenomenon, the more we see it as a vehicle for enhanced efficiency as well as a vehicle to foster adaptation and survival (113).

‘Chunking’ effectively combines a Mayoist notion of ‘teamwork’, which “comes into being only when someone in authority, or conceived by the workers as representing authority, definitely works to create it” (Mayo, cited in Rose, 1975: 123), with a Taylorist subdivision of tasks, undertaken at an organisational level rather than an individual one. In contrast to ‘soldiering’, where peer pressure was employed as a means of disciplining ‘rate-busters’ with the goals of restricted output and job security in mind, the effect of ‘chunking’ is to mobilise peer pressure as a means of increasing productive output. According to Peters and Waterman: “The small facility turns out to be the most efficient; its turned-on, motivated, highly productive worker, in communication (and competition) with his peers, outproduces the worker in the big facilities time and time again. It holds for plants, for project teams, for divisions—for the entire company” (321). No wonder then, that Peters and Waterman are led to conclude that: “In the excellent companies, small *in almost every case* is beautiful”

(Ibid., emphasis original).

Disciplinary training also appears to be as integral to the excellent corporation as it was to Taylorism. While Peters and Waterman cannot “conclude with finality” that excellent companies are “far above the norm in the amount of time they spend on training activities”, they suggest that there are “enough signs of *training intensity* to suggest that this might be the case” (264, emphasis original). The “most visible evidence” of such training intensity, they suggest, can be found in the corporate ‘universities’ (264). Drawing upon the narrative of McDonald’s founder, Kroc, Peters and Waterman provide us with the following account of Hamburger U:

Two thousand students ‘graduated’ from the school (Hamburger U.) last year....One lucky student in each course receives a golden chef’s hat for making the largest contribution to class discussion....Another walks away with a ceramic abstract model of a hamburger for highest academic honors....McDonald’s points to the fact that the American Council on Education recommends college credit of up to six semester hours for Hamburger U. courses taken by those pursuing a degree in two or four year colleges....(Kroc, cited in Peters and Waterman: 257)

Similar examples of ‘training intensity’, Peters and Waterman add, can be witnessed at both “Disney U.” and “Dana U.” (264).

A considerable part of the ‘tightness’ of the ‘loose-tight’ model thus flows from the Taylorist rationality that Peters and Waterman putatively reject. This irony is explainable, to some extent, in the fact that Peters and Waterman have largely based their model of ‘excellence’ on a Japanese organisational model which evolved, in considerable part, through the influence of Taylorism. However, in failing to recognise the extent to which they are endorsing Taylorist practices, Peters and Waterman go to some lengths to assure

us that discipline can be achieved through alternative routes such as organisational cultures. “Perhaps surprisingly”, they declare, “the people orientation also has a *tough* side” (240, emphasis original). Excellent companies are: “marked by very strong cultures, so strong that you either buy into their norms or get out. There’s no halfway house for most people in the excellent companies” (77). At 3M, for example, Peters and Waterman discover that “[t]he brainwashed members of an extremist political sect are no more conformist in their central beliefs” (16). Organisational ‘culture’ here resembles both Durkheim’s ‘mechanical solidarity’ and Mayo’s ‘non-logical social code’, in the sense that the individual is subordinated to the shared moral sentiments of the community or group. However, given the Barnardian influence within Peters and Waterman’s approach, the overarching values of the organisation are not determined by the collective but are, rather, predetermined by senior management:

Carlson doesn’t blush when he talks about values. Neither did Watson—he said that values are really all there is. They lived by their values, these men—Marriott, Ray Kroc, Bill Hewlett and Dave Packard, Levi Strauss, James Cash Penney, Robert Wood Johnson. And they meticulously applied them within their organisations. They *believed* in the customer. They *believed* in granting autonomy, room to perform. They *believed* in open doors, in quality. But they were stern disciplinarians, every one. They gave plenty of rope, but they accepted the chance that some of their minions would hang themselves. Loose-tight is about rope. Yet in the last analysis, it’s really about culture. Now, culture is the ‘softest’ stuff around. Who trusts its leading analysts—anthropologists and sociologists—after all? Businessmen surely don’t. Yet culture is the hardest stuff around, as well. Violate the lofty phrase, ‘IBM Means Service,’ and you are out of a job, the company’s job security program to the contrary notwithstanding (319, emphasis original).

Aberrant individuals within a culture are not only weeded out through means such as firing. Combined with the pastoral ‘interview’ technique, Taylor’s ‘scientific selection’ of workers

is given a new twist. Now, prospective employees are screened for their potential ‘fit’ within a given corporate culture:

As many of the excellent companies do to ensure a fit with the culture, Delta begins with a careful and lengthy screening process for all job applicants. *The Wall Street Journal* notes, “Stewardesses, for instance, are culled from thousands of applicants, interviewed twice and then sent to Delta psychologist, Dr. Sidney Janus. “I try to determine their sense of cooperativeness or sense of team work. At Delta, you don’t just join a company, you join an objective” (253).

For Peters and Waterman, the issue is not so much discipline per se, but rather, the *variety* of the organisational discipline that is to be effected. “Too much overbearing discipline of the wrong kind”, they argue, “will kill autonomy”. However, “the more rigid discipline, the discipline based on a small number of shared values that marks a 3M, an HP, a J&J, or a McDonald’s, in fact, induces practical autonomy and experimentation throughout the organization and beyond” (322). In a bizarre twist of logic, Peters and Waterman propose that: “*autonomy is a product of discipline. The discipline (a few shared values) provide the framework. It gives people confidence (to experiment, for instance) stemming from stable expectations about what really counts*” (322, emphasis original). In characterising their ‘soft’ cultural approach, they thus arrive at a conclusion not unlike that of the two female relay test workers who were fired in the context of the ‘benevolent supervision’ experiments at Hawthorne. “So”, Peters and Waterman inform us, “soft is hard” (319).

Although the authors extol the virtues of the ‘excellent’ corporation in terms of values or faith, we discover that organisational ‘faith’ is no longer merely a matter of beliefs which the employee accepts. It is also matter of discipline—of ensuring the employee’s

compliance to the set of beliefs and values, which have been predetermined by management. The ‘excellent’ employee remains an obedient employee, although now s/he is expected to be a highly motivated one. Re-importing Taylorist and human relations models by way of their preoccupation with the ‘Japanese model’, Peters and Waterman effectively discover that there are, in fact, ‘two best ways’ of organising, which—in the extent to which they are compatible—can be reconciled within a single ‘excellent’ approach to governing the corporation. As they put it: “The point, then, is the *completeness* of the people orientation in the excellent companies” (240, emphasis original).

Back to the Future?

Grounded in managerial practices and conceptualisations of organisational subjects developed in the context of the early industrial workplace at the beginning of the 20th century, Peters and Waterman’s ‘revolutionary’ organisational approach appears to be of the ‘one-step-forward, five-decades-back’ variety. Faced with the possibility that the ‘paradigmatic’ nature of such practices may not immediately be self-evident to their readers, the authors are impelled to excavate the theoretical works of Mayo and Barnard—which might otherwise have lain buried under forty years of strident critique—as a means of rationalising their approach. Peters and Waterman’s diligent efforts to convince their readers of the practicality of the ‘excellence’ approach, however, were well compensated as *ISOE* enjoyed unprecedented success not only in the private sector, but in the public sector as well. In the following chapter, I discuss the conditions under which this approach became influential within the public sector and I highlight the connections

between the ‘excellence’ approach and more recent initiatives to “reinvent government”.

Chapter Seven: The New Public Management: Fashioning the Adaptive Society

In Search of Excellence in the Public Sector

In so far as the promoters of NPM draw on available models of cultural change they will be employing promising but largely unproven ‘technologies’ (Pollitt, 1993: 194).

Although *ISOE* was developed with the specific needs of the private sector in mind, its message was soon generalised to a public sector context. Gray and Jenkins, for example, report that: “In the early 1980s, it was easy to gain the impression that [*ISOE*] was the only

management text that U.K. senior civil servants had read, so common was their reference to it" (1995: 85). In accounting for the wide reception of *ISOE* within the public sector, it is helpful to recognise that the appeal of technologies may be based upon criteria other than general perceptions of effectiveness (O'Malley, 1996: 193). Certainly, the appeal of *ISOE* within the public sector cannot automatically be read off the perceived effectiveness of this approach as it materialised within the context of the private sector. By 1983, *Business Week* reported that a significant number of Peters and Waterman's 'excellent' companies had run into serious difficulties, calling into question the authors' claims regarding the link between organisational cultures, excellence, and performance. Peter Drucker, a prominent management guru cited several times within *ISOE*, referred to it as a "book for juveniles" and a fad that would not last another year (cited in Silver, 1987: 106) and by 1987, even Tom Peters was suggesting that there were no longer any 'excellent' companies in the U.S. (Peters, 1987).

An understanding of the appeal of the 'excellence' approach within the public sector must be framed in relation to the broader governmental rationality of 'efficiency' that was promulgated by the New Right at the inception of the NPM. Interestingly, Pollitt (1993) has argued that early efforts undertaken by Reaganist Washington and Thatcherist Whitehall to enhance public sector efficiency were underpinned by a particular form of managerialism, which he labels 'neo-Taylorist'. This approach displayed a preoccupation with measurability where:

The central thrust, endlessly reiterated in official documents, is to set clear targets, to develop performance indicators to measure the achievement of those targets, and to single out, by means of merit awards, promotion or other rewards, those who get 'results'. The strengthening and incentivizing of line

management is a constant theme. There is less (if any) official acknowledgement of the complexities of workplace norms, beliefs and aspirations ('human relations' or 'culture') or of the equally complex issues of cognitive and motivational biases in decision making (decision making approach) and inter-institutional interdependencies (systems perspective) (Pollitt: 56).

Pollitt argues that, from the mid-eighties onward, the limits of neo-Taylorism were becoming apparent. The neo-Taylorist agenda of "[c]ost-cutting, staff reductions, and capital starvation had not achieved popularity either with the wider public (who favoured *more* public spending, at least on education and the NHS) or, most certainly with public servants themselves". He notes that "[s]omehow Conservative policies towards the public services had to be made to appear more positive and appealing, certainly to the external constituency of voters/users and, if possible, to the larger internal constituency of public service workers also" (179-180, emphasis original). The NPM, Pollitt argues, emerged as a "second set of reforms" which emphasised the introduction of quasi-markets, decentralisation, quality, and consumerism (180). In terms of influence, he suggests that the NPM borrowed most heavily from the "cultural approach" and, in particular, from Peters and Waterman's *ISOE* (186-187, 165). According to Pollitt, this cultural approach appeared to be a real alternative to the neo-Taylorist approach:

There is one sense in which cultural analysis is a neat mirror image of neo-Taylorism. It is concerned with the 'soft stuff' of beliefs, attitudes, rituals and symbols, not the 'hard stuff' of efficiency measures, saving targets and bottom lines. It focuses on the very space which neo-Taylorism usually leaves blank—the subjective sense of enlargement (or lack of it) which public servants have with their tasks and the distinctive patterns of beliefs and disbeliefs through which they give meaning to the organizational life around them. In this sense, therefore, it is very much an 'alternative' (Pollitt, 1993: 165).

While acknowledging the appeal of the ‘cultural’ or ‘new managerial’ approach, several commentators began to suggest that this appeal flowed not so much from the genuine potential of the approach, but rather, from the new managerialism’s ability to *present* itself as a radical alternative through the use of value-laden and emotive rhetoric:

The new managerialism presents itself as an agency of revolutionary change within organizations, often utilizing the language of paradox to emphasize its claims. Organizational pyramids are to be inverted, impossible thoughts thought, chaos thrived on and unreason embraced. Management (not the proletariat) is to be the agent of permanent revolution. These are powerful and exciting claims for those used to the stifling conservatism of public bureaucracies. And, in principle at least, they appear to offer new hope to groups that have been systematically marginalized and controlled within those bureaucracies (Clarke et. al., 1994: 230).

While a considerable part of the ‘emancipatory’ rhetoric of the new managerial approach was directed to public sector employees, the discourse of the new managerialism was also amenable to the New Right’s project of state restructuring. The new managerialism’s identification of bureaucracy as an organisational impediment resonated with a New Right stance which viewed the post-war institutions of the state as problematic. So, too, did the former’s emphasis on the ‘customer’ as sovereign resonate with the New Right’s public choice emphasis on the need to increase consumer choice through the imposition of market discipline (Clarke et. al., 1994: 238). Moreover, the new managerial emphasis on ‘flexible organisations’ was well suited to the New Right’s goals of a minimal state reorganised around a basis of contracts.

Within the public sector, the new managerial or ‘cultural’ approach did not displace the ‘neo-Taylorist’ model. Rather, it overlapped with it in such a way as to create a new hybrid of organisational practice in which neo-Taylorist models of productivity were sought

through new managerial models of “inspirational leadership, corporate culture formation, and excellence/quality commitments” (Newman and Clarke, 1992: 16). According to Pollitt, the emerging model of public management was revealing itself less as a “charter for citizen empowerment” than as “managerialism with a human face” (1993: 187).

Reinventing Government

In Search of Peters and Waterman

In Search of Excellence also seized the imagination of a range of management consultant/theorists within the public sector. In particular, it left a lasting impression on David Osborne and Ted Gaebler, two consultants whose best-selling text, *Reinventing Government: How The Entrepreneurial Spirit is Transforming the Public Sector* (1993), was originally to be titled “In Search of Excellence in Government”, as a tribute to Peters and Waterman (Micklethwait and Woodridge, 1997: 323). Osborne and Gaebler suggest that it is possible and desirable to employ many of the tools that have been used to improve private sector performance in order to realise the paradigmatic transition to a model they label ‘entrepreneurial governance’. Throughout the text of *Reinventing Government*, it is clear that nature of the ‘entrepreneurial spirit’ is an ‘excellent’ one.

According to Osborne and Gaebler, “[o]ur governments are in deep trouble today” (xv). A political preoccupation with issues of ‘how much’ government, they argue, has deflected attention from the more crucial issue of the nature of government we have on offer:

The old ideas still embraced by most public leaders and political reporters assume that the important question is *how much* government we have—not

what kind of government. Most of our leaders take the old model as a given, and either advocate more of it (liberal Democrats), or less of it (Reagan Republicans), or less of one program but more of another (moderates of both parties)...Our fundamental problem is that we have *the wrong kind of government.* We do not need more government or less government, we need *better* government. To be more precise, we need *better governance* (23-24, emphasis original).

The authors inform us that “the kind of governments that developed during the industrial era, with their sluggish, centralised bureaucracies, their preoccupation with rules and regulations, and their hierarchical chains of command no longer work very well” in the “rapidly changing, information-rich, knowledge-intensive society and economy of the 1990s”(12). Extending Peters and Waterman’s critique of the ‘rational’ approach to the sphere of governance, Osborne and Gaebler identify the central problem of government as one of ‘bureaucratic rationality’:

It is hard to imagine today, but 100 years ago the word *bureaucracy* meant something positive. It connoted a rational, efficient method of organization—something to take the place of the arbitrary exercise of power by authoritarian regimes. Bureaucracies brought the same logic to government work that the assembly line brought to the factory. With their hierarchical authority and functional specialization, they made possible the efficient undertaking of large, complex tasks (12, emphasis original).

Moving past ‘bureaucracy’, for Osborne and Gaebler, requires nothing less than the wholesale “reinvention” of governments. Although the “idea of reinventing government may seem audacious to those who see government as something fixed, something that does not change”, Osborne and Gaebler point out that “governments constantly change” (xv). They suggest that the last periodic reinvention of government occurred from 1900 to 1940, during the Progressive Era and the New Deal, as a means of “cop[ing] with the emergence of a new industrial economy, which created vast new problems and vast new opportunities

in American life” (xvi). Accordingly, the “world of governments is once again in great flux” with the “emergence of a postindustrial, knowledge-based, global economy [that] has undermined old realities throughout the world, creating wonderful opportunities and frightening problems (Osborne and Gaebler: xv-xvi). In a rhetorical style which parallels *ISOE*, the authors argue that the ‘bureaucratic model’ is giving way to a paradigm shift:

What we are describing is nothing less than a shift in the basic model of governance used in America. This shift is under way all around us, but because we are not looking for it—because we assume that all governments have to be big, centralized, and bureaucratic, we seldom see it. We are blind to the new realities, because they do not fit our preconceptions....What we need most if this revolution is to succeed, in other words, is a new framework for understanding government, a new way of thinking about government—in short, a new *paradigm* (321, emphasis original).

Posturing as impartial observers, Osborne and Gaebler claim to have spent the last five years “journey[ing] through the landscape of governmental change” in an effort to “understand the underlying trends” (19). They acknowledge, however, that the model for the ‘revolutionary changes’ now underway in government has been developed by agencies other than government, most notably the private sector:

Government is hardly leading the parade; similar transformations are taking place throughout American society. American corporations have spent the last decade making revolutionary changes: decentralizing authority, flattening hierarchies, focusing on quality, getting close to their customers—all in an effort to remain competitive in a new global marketplace. New “partnerships” blossom overnight—between business and education, between for-profits and nonprofits, between public sector and private. It is as if virtually all institutions in America were struggling at once to adapt to some massive sea change—striving to become more flexible, more innovative, and more entrepreneurial (12).

Unsurprisingly, the ‘entrepreneurial’ public sector institution envisioned by Osborne and Gaebler bears an uncanny resemblance to Peters and Waterman’s excellent corporation:

Slowly, quietly, far from the spotlight, new kinds of public institutions are emerging. They are lean, decentralized, and innovative. They are flexible, adaptable, quick to learn new ways when conditions change. They use competition, customer choice, and other nonbureaucratic mechanisms to get things done as creatively and effectively as possible. And they are our future (2).

The subtitle of Osborne and Gaebler's work—"How the Entrepreneurial Spirit is Transforming the Public Sector"—thus serves as a pointer to the author's primary contribution, that of rendering explicit the manner in which the general tenets of the 'excellence' approach have unfolded within the public sector over the last decade.

According to Osborne and Gaebler, the emerging entrepreneurial form of governance is based on "ten fundamental principles":

Most entrepreneurial governments promote *competition* between service providers. They *empower* citizens by pushing control out of the bureaucracy, into the community. They measure the performance of their agencies, focusing not on inputs but on *outcomes*. They are driven by their goals—their *missions*—not by their rules and regulations. They redefine their clients as *customers* and offer them choices—between schools, between training programs, between housing options. They *prevent* problems before they emerge, rather than simply offering services afterward. They put their energies into *earning* money, not simply spending it. They *decentralize* authority, embracing participatory management. They prefer *market* mechanisms to bureaucratic mechanisms. And they focus not simply on providing public services but on *catalysing* all sectors—public, private, and voluntary—into action to solve their community's problems (19-20, emphasis original).

In developing this model of governance, the authors offer us some reassurance: "We have not plucked our ten principles out of thin air—out of our imaginations. They are not what we *wish* government would be. We have developed our map by looking around us, at the successful public sector organisations we see emerging, piece by piece, all across this country" (xvii, emphasis original). "Looking around us" is, in fact, a most accurate

characterisation of the methodological approach employed by Osborne and Gaebler, who, in contrast to Peters and Waterman, have dispensed with even the *pretence* of any scientific method. One commentator remarks:

From an academic perspective it is disturbing to read the footnotes of *Reinventing Government* and not find the expected books. The authors seem to have been feeding on snacks from the *Boston Globe*, *Washington Post*, *Time*, and avoiding the square meal of a relevant academic source. Are the latter ignored because it is reckoned that they have nothing important to say, because their material would go against the grain of the prescription, or have the authors skimmed in their research? Arguably the academic method is built on considering alternative interpretations and selecting the most convincing. By contrast Osborne and Gaebler offer an extended polemic (Jordan, 1994: 272).

The authors' 'methodology' is largely 'impressionistic', captured in statements of the sort: "As we have travelled the country talking to public entrepreneurs, we have been struck by this reality again and again" (324). Nevertheless, Osborne and Gaebler are assured of their competence to the extent that they feel confident about presenting their model as both a practical blueprint and a means of galvanising others into action:

We hope that you find it a helpful guide in the process of changing *your* governments. Used almost as a checklist, the ten principles offer a powerful conceptual tool. One can run any public organization or system—or any of society's problems through the list, and the process will suggest a radically different approach from that which government would traditionally take. This is the checklist's ultimate value: the power to unleash new ways of thinking—and acting (311, emphasis original).

It is in this sense that *Reinventing Government* can be conceptualised as a governmental programme. According to Osborne and Gaebler, these "ten principles underlie success for *any* institution in today's world—public, private, or nonprofit" (21, emphasis original).

In practical terms, Osborne and Gaebler's work was very well received. Kettl records

that: “Given the obviousness of the problems and attractiveness of the label, everyone wanted to ‘reinvent’ government. Immediately after the 1992 presidential election, virtually every reform plan was touted as some form of reinvention” (cited in Halligan, 1994: 137). The ‘reinvention’ model became closely associated with the Clinton administration through Vice President Gore’s National Performance Review (NPR), in which David Osborne played a key part in writing *From Red Tape to Results: Creating a Government That Works Better and Costs Less*, the 1994 Report of the National Performance Review (Moe, 1994: 111). In the U.K., *Reinventing Government* was greeted with enthusiasm among chief executives within the public sector, and there were also meetings between Ted Gaebler and William Waldegrave—minister responsible for the Citizen's Charter Unit. Gaebler traced analogies between the principles of ‘reinventing government’ and those embedded in the Citizen's Charter, with eight or nine of the Charter's main aims being shared (Clarke and Newman, 1997: 37). Waldegrave would later remark before the Institute of Directors: “We have introduced the entrepreneurial spirit into the corridors of power” (Waldegrave, cited in Painter, 1994: 243). Shortly after, the Canadian government launched a broad initiative directed towards the task of “getting government right” (Canada, Treasury Board Secretariat, 1997). According to Clarke and Newman, reinvention itself became “big business” through the setting up of organisations such as the ‘Alliance For Redesigning Government’ or the ‘Reinventing Government Network’ (1997: 37).

Reinventing the Public Sector

At one level, *Reinventing Government* directs itself to public sector reform. With respect to the conceptualisation of the public sector employee, it delivers the by now familiar human relations refrain that rational, bureaucratised structures undermine the public servant's capacity to 'think'. According to Osborne and Gaebler: "Most employees in bureaucratic governments feel trapped. Tied down by rules and regulations, numbed by monotonous tasks, assigned jobs they know could be accomplished in half the time if they were only allowed to use their minds, they live lives of quiet desperation" (38). The primary problem, the authors suggest, is rigid authoritarian structures associated with bureaucratic hierarchy:

While the rest of society has rushed headlong away from hierarchy—whether through the student movements of the 1960s or the women's movement that began during the 1970s or the entrepreneurial movement of the 1980s—most governments have held tight to the reins. Their message to employees has not changed: Follow orders. Don't use your heads, don't think for yourself, don't take independent action. If something goes wrong that is strictly not your responsibility, ignore it. If you absolutely have to make your own decision, choose safety. never, ever, take a risk (253-254).

According to Osborne and Gaebler: "This message is enormously destructive. For decades it has cowed public employees, left them docile, passive, and bitter. In traditional, hierarchical organisations, they may complain, but they can barely conceive of taking control with their own hands" (254). This observation is an intriguing one, given that Osborne and Gaebler elsewhere suggest that public sector employees are sufficiently 'empowered' to the extent that they can hold governments captive as sole-source monopoly providers (34). It is on this premise that they justify the need to "force change on some of the most powerful interest groups in the country—teachers, principles, unions, doctors,

hospitals” (33). Clearly, Osborne and Gaebler must constitute the organisational subject within the public sector in a manner that is befitting to the authors’ pre-packaged prescription for ‘empowerment’, which here takes the familiar form of an ostensible decentralisation of authority within the public sector through the application of the ‘loose-tight’ organisational model endorsed by Peters and Waterman:

Governments that want to be accountable to their citizens cannot simply turn their employees free, of course. Voters demand some accountability. Hence organizations that decentralize authority also find that they have to articulate their missions, create internal cultures around their core values, and measure results. Accountability for inputs gives way to accountability for outcomes, and authoritarian cultures give way to the kind of ‘loose-tight’ cultures described by Peters and Waterman in *In Search of Excellence*, in which shared values and missions take the place of rules and regulations as the glue that keeps employees moving in the same direction (254).

“To imprint the mission of an organization on its members”, Osborne and Gaebler suggest that: “leaders build a culture around it. They articulate their values and model the behaviour they want” (132). Once again, “stories, myths, and metaphors” serve as the organisational medium through which leaders “communicate their values” (135). Although Osborne and Gaebler suggest that organisational subjects still undergo a form of spiritual transcendence through this process, they now attribute this to the effects of public sector reform itself, remarking that: “When [public sector employees] have the opportunity to work for an organization with a clear mission and minimal red tape—as in Visalia or St. Paul or East Harlem—they are often reborn. When they are moved into the private sector, they often experience the same sense of liberation” (38). Rhetoric aside, however, Osborne and Gaebler are not theologians but management consultants, and their bias is revealed in the manifestly ‘productive’ character of the soul they seek to ‘liberate’:

We write not to berate public employees, but to give them hope. At times it may sound as if we are engaged in bureaucrat-bashing, but our intention is to bash *bureaucracies*, not bureaucrats. We have known thousands of civil servants through the years and most—although certainly not all—have been responsible, talented, dedicated people, trapped in archaic systems that frustrate their creativity and sap their energy. We believe these systems can be changed, to liberate the enormous energies of public servants—and to heighten their ability to serve the public (xviii, emphasis original).

Discipline is as integral to entrepreneurial governments as it was to the excellent corporation and it is deployed in a similar fashion. On the one hand, discipline is achieved by way of the self-directed team, which serves as the basic organisational unit in entrepreneurial governance. According to Osborne and Gaebler:

Teams hold employees to high standards, acting as a more acceptable quality control mechanism than evaluations and orders from the top. In East Harlem, where small teams of teachers run most schools, teachers who don't perform "fall by the wayside on their own, because of the peer pressure that's put upon them within their own collegial group," says John Falco. "If you have one rotten apple in the bunch, it impacts the others. They put the pressure on. Those teachers see themselves; they come to me. They say, 'I can't make it here'. "Many of them choose to go elsewhere, or to leave the system" (271).

Since the authors believe that "[t]he most serious resistance to teamwork and participatory management often comes from middle managers", they justify the tendency of entrepreneurial governments to streamline and flatten organisational hierarchies. Middle management has "become superfluous", Osborne, and Gaebler argue, because "[a]s Peters and Waterman put it, middle management acts as a sponge. It stops ideas on their way down and stops ideas on their way up" (265). Centralised control will not be compromised, the authors inform us, because with modern information technology, management is capable of surveilling far more employees than was previously possible:

With today's computerized systems, managers also have so much

information at their fingertips that they can supervise far more people than they once could. Their span of control is broader. If organizations keep all their layers of management—and all the middle managers continue to play their traditional roles—overcontrol quickly sets in. Hence participatory organisations find that they must eliminate layers and flatten their hierarchies (265).

A Taylorist preoccupation with increasing organisational efficiency and reducing waste is also apparent throughout *Reinventing Government*. On the one hand, this surfaces as a hostility towards rules and regulations which “build wasted time and effort into the very fabric of the organization” and “slow government to a snail’s pace” (111). On the other hand, it is discernible in the authors’ preoccupation with “employees on idle, working at half speed—or barely working at all” (23). Osborne and Gaebler relate to us that, “[f]ederal employees we know describe colleagues who spend their days reading magazines, planning sailing trips, or buying and selling stocks” (127), a claim that may be more indicative of the quality of their evidence than insightful. In considerable part, the authors attribute this lack of efficiency to complex civil service regulations that prevent managers from hiring the most motivated employees, from basing pay raises on merit, and from firing underperformers. “The result”, Osborne and Gaebler suggest, is “a system in which managers cannot manage, deadwood is kept on, and morale goes through the floor” (127). In short, the authors’ message is an old and familiar one; managers must be given the ‘freedom to manage’.

Although Osborne and Gaebler’s overall mandate is framed in terms of ‘governmental’ reinvention, the bulk of their project is concerned with the ‘reinvention’ of the federal public service. By narrowly identifying ‘government’ with the federal public service, the

latter is positioned by the authors to assume the burden of institutional failure associated with government, more generally. This is not to say, however, that the effects of ‘reinvention’ will be limited to the federal public service. As I will argue within the following sections, the technologies that have been directed to the regulation of conduct within the public sector organisation are being extended, through the ‘reinvention’ agenda, to the regulation of political or civic conduct.

Steering the Ship of State: ‘Catalytic’ Governance and The ‘New Managerial’ Elite

A central theme of *Reinventing Government* is that the state cannot govern effectively by becoming involved in the finer points of service delivery. Rather, it must empower, or “catalyse” a range of providers, including those in the private or voluntary non-profit sectors, to compete and innovate in delivering those policies determined by the state. According to Osborne and Gaebler, the state’s task is now to be conceptualised in terms of a “steering” (policy) function rather than a “rowing” (operational) one. This requirement is justified by the authors through their assertion that electorates now demand higher quality services while simultaneously refusing to subsidise such improvements through increased taxes:

When combined with voters’ refusal to pay higher taxes—in part because global competition is driving the average standard of living down—this new pressure demands very different behavior by government. Suddenly, there is less money for government—for ‘doing’ things, delivering services. But there is more demand for governance—for ‘leading’ society, convincing its various interest groups to embrace common goals and strategies. This is yet another reason why our visionary public leaders now concentrate more on catalyzing and facilitating change than on delivering services—why they provide less government, but more governance (33-34).

Osborne and Gaebler's "catalytic" approach to governance, as they dub it, conceptually combines a Barnardian emphasis on 'leadership' with a Taylorist emphasis on the need to separate tasks of 'conception' and 'execution'. "Steering", according to Osborne and Gaebler, "requires people who see the entire universe of issues and possibilities and can balance competing demands for resources"(35). It is to be distinguished from the "rowing" function, which "requires people who focus intently on one mission and perform it well"(35). Osborne and Gaebler argue that "[s]teering is very difficult if an organization's best energies and brains are devoted to rowing" (30). Unencumbered by issues of delivery, political leaders, they reason, will be able to devote more attention to critical policy issues (32).

This shift in control is reinforced through a consequent reduction in senior public servants' power to exercise authority in macro-political affairs. Osborne and Gaebler suggest that this is necessary inasmuch as governments have come to be dominated by the powerful collective interests of public sector workers and various other 'special interests' who want to preserve the 'status quo' (33). Monopolistic suppliers (public servants), they contend, do not permit the 'flexibility' required in an environment of "complex and rapidly changing conditions". For example, "[w]hen managers try to go around their employees, by using private organisations to provide the necessary services, public employee unions often sue, strike, or protest" (34-35). Separating the 'steering' from the 'rowing' function permits policy managers the additional freedom of shopping around for the most effective form of service delivery:

Freeing policy managers to shop around for the most effective and efficient service providers helps them to squeeze more bang out of every buck. It

allows them to use *competition* between service providers. It preserves maximum *flexibility* to respond to changing circumstances. And it helps them insist on *accountability* for quality performance: contractors know they can be let go if their quality sags; civil servants know that they cannot (35, emphasis added).

Perhaps in an effort to distinguish themselves from conservative privatisation zealots, Osborne and Gaebler attempt to assuage their readers by assuring them that while “[s]ervices can be contracted out or turned over to the private sector...*governance* cannot (45, emphasis original). They acknowledge, however, that discreet steering functions can be privatised (41). They also suggest that since imposing change can be “difficult and painful, fraught with uncertainty and risk...[m]ost organizations that embark on the journey need help—from foundations, consultants, civic organizations, even other governments” (327). Although Osborne and Gaebler acknowledge that fears of the “prospect of massive layoffs” within the public sector which are generated as a result of an increased reliance on non-governmental organisations are “legitimate” (37), they attempt to minimise such concerns by suggesting that governments can cushion the impact of such layoffs through attrition (37-38).

In practice, the separation of steering and rowing functions has been more problematic than Osborne and Gaebler might acknowledge. In the Gore Report, which based itself largely on Osborne and Gaebler’s model, fears of job losses within the public service were well warranted as anticipated savings were slated to come almost exclusively from “downsizing the supervisory ranks of the civil service” (Moe, 1994: 114). This was justified on the basis of the need to ‘halve’ the ratio of supervisors to employees, a figure derived from Tom Peters’ arbitrary assertion that ‘well-performing’

(private sector, in this case) organisations should operate at a ratio of 25 to 75 workers for every supervisor (Moe: 114). Others have argued that, where a shift of powers from public servants to politicians within the policy process has occurred, the outcome has not always been desirable. In Canada, for example, Savoie reports that:

[Senior public servants], at least in line departments, are finding that they have become much less influential on policy issues which have any kind of profile outside or even inside government. It also appears that public servants are no longer able to tell politicians that their pet schemes are not terribly practical, that they have been tried in the past and that they have failed. The career stability of public servants is not as strong as it once was, and the restructuring of government departments has meant that the institutional memory is less comprehensive. In brief, the federal public servant is now less capable of bringing politicians back 'gingerly to earth' (1999: 357-358).

A more crucial consideration, however, revolves around the issue of whether politicians actually *are* the primary beneficiaries within this reshifting of powers. The body of literature that has come to be associated with the 'hollowing out of the state' thesis (Rhodes, 1994, 1997; Bakvis, 1997) draws attention to the way in which a variety of trends associated with the NPM—privatisation, alternative service delivery systems, the disaggregation of public sector units, and the policy/operational split—have contributed to a potential *erosion* of the capacity of elected governments to exercise authority over and direct the affairs of state. Not only, in many cases, are inherently 'governmental' functions being contracted out, but a range of external non-bureaucratic actors, most notably think tanks and management consultants, are often the primary beneficiaries within this power shift. The enhanced role for external non-bureaucratic actors, it is argued, may contribute to a "hollowing out of the core executive" (Bakvis, 1997). In the case of the Gore Reforms (Gore, 1993), for example, Moe reports that the reduction in the supervisory ranks of

senior public sector personnel entailed a corresponding transfer of powers to managerial consultants and contractors:

A case can be made, for instance, that by significantly reducing the number of midlevel career managers across-the-board, the President is really 'making the world safe for consultants and contractors'. For it is the midlevel managers who oversee, if they are to be overseen at all, the contractors who increasingly manage, as well as deliver, the services of government. Agency after agency has become "hollow" and the Gore Report with its entrepreneurial management bias will insure that this trend toward hollowness is accelerated (1994: 118).

Bakvis suggests that, although the use of managerial consulting agencies within government is not new, recent governmental preoccupations with "privatization, cost-cutting and deficit reduction" have placed managerial consultancies, who are well equipped to deal with such issues, in a particularly good position to intervene (1997: 112). Over the last decade, he argues, management consulting firms and, in particular, what came to be referred to as the 'big six'²⁰ (Arthur Andersen, Coopers & Lybrand, Deloitte Touche Tohmatsu, Ernst and Young, KPMG Peat Marwick and Price Waterhouse), have increasingly come to penetrate government. Managerial firms bring not only their expertise, however, but also their "distinct views on what is good or bad public policy, albeit cast in the language of managerialism" (111). Bakvis points out, for example, that: "It is extremely rare...to find among current management consultants recommendations that run counter to market-driven, client-centred solutions. Management consultants bring an implicit, and at times explicit, policy perspective to the task of advising governments" (Bakvis: 111). This, combined with the fact that managerial consulting firms are well poised to intervene in the policy process, or even to usurp some of the core functions of the executive, points to some

unsettling implications:

By turning to think tanks and management consultants and relying on them for ideas and specific proposals on the conduct of the business of the state, this would suggest that the core executive has effectively abdicated part of its mandate to entities that are neither elected nor directly accountable in any way. The fact that many of the ideas and specific proposals have their origins outside not only the core executive but also the borders of the nation state must also be troublesome to those who worry about influence leaching away from the state. Simply from the perspective of democratic theory, where the concern is with the capacity of the electorate to hold governments accountable, the distinct possibility that the definitive advice on what to do with government-owned industries or utilities is provided by a multinational consulting firm is disturbing (Bakvis: 124).

Osborne and Gaebler justify the dissociation of steering and rowing functions as a means of reinstating a policy capacity to elected officials, arguing that this function had been appropriated, to a large degree, by 'special interests'. While the bureau-professionals' capacity to intervene in macro-political affairs has diminished, it is not clear that there has been a corresponding extension of the political executive's power to act in the public interest. The widespread transfer of core executive functions to agencies such as think tanks or international management consultants suggests a 'substitution', rather than a declining influence, of 'special interests' and, inasmuch as the latter carry no electoral legitimacy, the prospects for democratic accountability to a domestic electorate seem, if anything, to have been diminished through this shift.

Having a Say, Losing a Voice: Pastoral Technology and the NPM

A key aspect of the new management is the way in which it promises a transformed culture to fit with the changed world (Cochrane, 1994: 154).

²⁰ Since Price Waterhouse has now merged with Coopers & Lybrand commentators will

Politicians are not the only ones to be ‘empowered’ in the shift to ‘entrepreneurial’ governance. Osborne and Gaebler suggest that citizens will also be ‘empowered’ through a shift to “customer-driven government” that “meet[s] the needs of the customer, not the bureaucracy” (166). The authors designate consumerism as an essential principle of entrepreneurial governance, pointing to the transition from a mass society populated primarily by unskilled labourers to one of greater cultural diversity populated by knowledge workers with distinctive tastes, as the main impetus for this shift. Consumers of public services, they argue, are no longer satisfied with “one-size-fits-all-services” but, rather, have come to expect products and services tailored to their distinctive styles and tastes (167-168). “To cope with these massive changes”, the authors inform us, “entrepreneurial governments have begun to transform themselves”:

They have begun to listen carefully to their customers, through customer surveys, focus groups, and a wide variety of other methods. They have begun to offer their customers choices—of schools, of recreation facilities, even of police services. And they have begun to put their customers in the driver’s seat, by putting resources directly in their hands and letting them choose their service providers (169).

While this consultation-based consumer-oriented approach became a central theme within the U.S. National Performance Review, it was not the first initiative of this kind to be introduced. The notion that citizens’ “views about the services they use should be sought regularly and systematically to inform decisions about what services should be provided” (United Kingdom, Prime Minister, 1991: 4-5) was pivotal to the U.K. “Citizen’s Charter”, which was introduced by Thatcher’s successor, John Major, in 1991. Now loosely conjoined under the rubric of “service quality” and “service standard” initiatives, such

probably no longer refer to this group as the ‘big six’.

measures have become increasingly common. According to Shand and Arnberg, “[n]early every OECD Member country is doing considerable work in this area” (1996: 15).

Despite the ‘transformational’ rhetoric that often surrounds the introduction of such initiatives, the political impulse to make the public sector more responsive to consumer demands is not a new one. Consumer rights advocacy groups emerged in the 1960s as a justifiable reaction to a ‘professional-knows-best’ mentality which characterised the post-war institutional settlement. As the limits to professional expertise became more apparent, the dissatisfaction of local communities and their political representatives coalesced in the form of interest groups concerned with challenging the overarching objectives of service delivery as they were determined by central government:

The aims of the welfare rights and community development movements were to assist the consumers of public services to take a more active role in the planning and delivery of those services. In seeking to empower consumers, they posed challenges to both the existing political and professional domains. Some community development was publicly funded and much of it was swept away during the 1970s, but the ideological legacy lingered on, part of the belief system of many public officials, but put on one side during unfavourable political times (Richards, 1992: 23).

While the ‘new consumerism’ has been “nourished by this older inheritance” (Ibid.), it has evolved in a different manner and carries a very different set of political connotations. In the U.K., its emergence has been linked to the introduction of the ‘cultural’ approach associated with Peters and Waterman’s *ISOE*, within the public sector (Pollitt, 1993: 149; Bellamy and Taylor, 1998: 67). In formulating their approach to ‘customer-driven’ governance, Osborne and Gaebler refer—almost by rote—to ‘excellent’ companies such as McDonald’s, Frito-Lay, or Hewlett Packard (167, 169) as appropriate benchmarks for their customer-driven

approach. To further seal their case, they inform us that “[a]ll the management experts, from Peters and Waterman to Drucker and Deming, dwell on the importance of listening to one’s customers” (169). The links between Osborne and Gaebler’s ‘customer-driven government’ and Peters and Waterman’s approach are further reflected in the formers’ endorsement of the Japanese-based organisational approaches, most notably, W.E. Deming’s ‘Total Quality Management’ (159-160, 172-180).

The human relations underpinnings of the ‘new consumerism’ suggest a need to evaluate Osborne and Gaebler’s promises of ‘consumer empowerment’ with a healthy degree of scepticism. In contrast with early consumerist movements, which were concerned with challenging the power of both professional and political domains, human relations techniques, as they unfolded within an organisational context, presupposed a subjection to managerial agency. ‘Confessional’ techniques such as the interview were central to this process. The interview was employed as a means of cultivating, within the organisational subject, a particular ‘awareness’ or identity, one that was amenable to the goals of management. To the degree that the interview was experienced as ‘therapeutic’, however, the subject could be enlisted within this process of identity reconstitution. ‘Participation’, in this context, thus served as a means through which the organisational subject became ever more implicated within the authoritative structure of the organisation.

Confessional techniques such as the interview or survey are integral to the ‘new consumerism’. Osborne and Gaebler suggest that knowledge of the ‘customers’ of any given public service may be gleaned through a range of techniques which include: customer

surveys, customer follow-ups, community surveys, customer contact, customer contact reports, customer councils, focus groups, customer interviews, electronic mail, customer service training, test marketing, quality guarantees, inspectors, ombudsmen, complaint tracking systems, 800 numbers, and suggestion boxes or forms (177-179). Through 'service quality initiatives', this consultation-based consumerist approach has been promoted as an essential means to the end of "more responsive government" (OECD, 1996: 9).

To what degree are consumers actually 'empowered' by way of such consultation-based approaches? This is an important question, bearing in mind the extent to which 'new consumerist' approaches, including Osborne and Gaebler's, have been shaped by the 'cultural approach' of Peters and Waterman. It is worth recalling here the latter authors' predilection for "illusory" as opposed to genuine, forms of control and their contention that "[t]he fact we *think* we have a *bit* more discretion leads to *much* greater commitment" (Peters and Waterman: 81, emphasis original). Although the rhetoric of the new consumerism often conveys the impression that the newly 'empowered' consumer will be the primary beneficiary of this shift, commentators such as Richards (1992) have argued that the scope of consumer empowerment has been limited, confined largely to participation at the micro-level. That is, consumers are 'empowered' to be concerned with their own individual service experience and to contend with service producers and operational managers only in matters relating to how that service will be provided. Interestingly, the consultation-based approach has been promoted as a "response to a populace that was becoming increasingly cynical and dissatisfied with politicians and governments generally" (Eagleton, 1996: 220). Recalling that the primary importance of the interview technique

was, for Mayo, attached to its therapeutic potential, one might speculate that this consultation-based approach has been designed as a cathartic vehicle through which the citizenry can ‘talk off’ their discontents, thereby encouraging a process of identification with the aims of government.

Mayo also employed the interview as a means of cultivating a particular ‘awareness’ within the organisational subject. While the ‘new consumerism’ places a considerable emphasis on consultation, it is crucial to recognise that service quality initiatives entail a two-way flow of information; that is, they have been designed to both consult and *inform* the citizenry. “Combined with methods for obtaining information on clients needs and demands (e.g. surveys)”, Hjortdal and Schou suggest that “improved service information may lead to increased responsiveness”. In other words, “[c]lients become empowered” (1996: 89). Service standards also, they suggest, promote “a better match between clients’ expectations of public services and the actual service and quality”, thereby facilitating increased client satisfaction (Hjortdal and Schou: 89). *How* this ‘match’ is promoted may present some cause for concern, because an espoused objective of the service standards initiative is that of “manag[ing] the expectations of clients” (Arnberg, 1996: 248; Canada, Treasury Board Secretariat, 1995: 1). Although it is suggested that clients’ expectations may be “too high or too low” (Arnberg, 1996: 248), the fact that service quality and service standards initiatives have been developed as a response to “resource or budget pressures” and in relation to “a more demanding public” (Shand and Arnberg, 1996: 19), suggests that an energetic campaign directed towards the heightening of public expectations of service is most unlikely. What is more likely is that any loss of governmental legitimacy associated

with harsh budget cuts and declining public services may be lessened through a covert process which ‘informs’ service users that they are not ‘entitled’ to expect more. In the Canadian ‘Service Standards’ initiative, even the word ‘entitlement’ is given a new inflection as citizens are informed that they have an “entitlement to know what to expect” (Canada, Treasury Board Secretariat, 1995: 1). This initiative also promotes a shift in political consciousness through its imperative to “mak[e] Canadians more aware of the wide array of government services and their associated costs” (Canada, Treasury Board Secretariat: 1), the likely effect being the encouragement of citizens to think increasingly in terms of pocket-book voting.

The broad re-labelling of ‘citizens’ as ‘customers’ also signifies an important shift in the constitution of the political subject. Pollitt, for example, distinguishes a customer, who “perform[s] a role within a system of market relations, a role to do with the satisfaction of individual wants and needs under certain conditions of supply and demand” from a citizen, an identity which entails “a concentration of rights and duties situated within a framework of constitutional law and regulation” (1995: 208). “In so far as there is a direct relationship between the roles of the citizen and the customer for public services”, he argues, “the latter is subordinate, contained within the former”. To “characterize the principal relationships between the citizen and the state as those of customer and supplier is”, he argues, “to impoverish our concept of democratic citizenship” (Pollitt: 208).

While a central justification for the ‘new consumerism’ is the “enhance[ment] of the legitimacy and transparency of government” (OECD, 1996: 10), these subtle and covert political manipulations both undermine such objectives and point to a considerable

potential for elitist manipulation. The result may be a withering of, rather than a renewal of, democratic participation in the policy process. The expulsion of producers from the policy-making role in governance intensifies this threat. While producers previously wielded some powers in influencing macro-level issues, the steering/rowing distinction has had the effect of undercutting this authority, hollowing out the public servant's role in a 'top-down' fashion. Pitting the interests of the 'sovereign consumer' against those of monopoly service providers or 'special interests', the 'new consumerism' has further 'hollowed out' this role from the bottom (Rhodes, 1994: 145). The restriction of the consumer to engage only with micro-level concerns combined with the expulsion of producer influence from the macro-level sphere suggests less a consumer-based 'democratisation' of the policy process than an intensification of centralised control.

In the drive to make governments more 'entrepreneurial', Osborne and Gaebler suggest that consumerism, marketisation, and standardisation represent only "half the equation". In order to be effective, these mechanisms must be complemented by 'community'. Although the authors situate the decline of community in relation to the rise of industrialism, they further identify bureau-professionalism as a particular antagonist to community, arguing that "[i]t was only with the emergence of an industrial economy of mass production that we began to hire professionals and bureaucrats to do what families, neighborhoods, churches, and voluntary associations had done"(52). Unsurprisingly, given their expressly anti-bureaucratic agenda, their solution entails an 'empowerment' of community members to take control of their communities and, through this, to minimise their reliance on bureaucrats and service professionals.

Although Osborne and Gaebler suggest that their approach to community-based governance has arisen in continuity with the activism and utopian visions of the community-based activist groups of the 1960s and 1970s (52-53), their model has considerably more in common with the communitarian vision of neo-conservatism. This model of community—consistent with the variety promoted by human relations—is, according to Bryson and Mowbray, suited to conservative interests through:

1. facilitation of an ‘a-political’ conception of problems and change.
2. emphasis on an essential unity (harmony, cooperation, participation), rather than separation, of interests (as in a class perspective)
3. service to the pluralist view that it is possible within capitalism to devolve significant decision making to the local level, and
4. use in characterizing a management model geared to minimizing government expenditure (1981: 265).

Urging that “[e]mpowerment is an American tradition as old as the frontier” (51), Osborne and Gaebler set out to convince their readers of the merits of ‘community’ as an alternative to ‘bureau-professionalism’. While “[i]nstitutions and professionals offer ‘service’, they argue, “communities offer ‘care’”. “[C]are”, according to Osborne and Gaebler, “is different from service”: “Care is the human warmth of a genuine companion; care is the support of loved ones as a family copes with tragedy; care is the gentle hand of a helper when one is bedridden” (67). Served up in this nostalgic and romantic way, ‘community’ is endorsed by Osborne and Gaebler—as it was by human relations—as a means of ‘humanising’ society in such a way that it does not interfere with the operation of market forces:

Much of what we have discussed in this book could be summed up under the rubric of market-oriented government: not only systems change, but competition, customer choice, accountability for results, and of course public enterprise. But market mechanisms are only half the equation. Markets are

impersonal. Markets are unforgiving. Even the most carefully structured markets tend to create inequitable outcomes. That is why we have also stressed the other half of the equation: the empowerment of communities. To complement the efficiency and effectiveness of market mechanisms, we need the warmth and caring of families and neighborhoods and communities. As entrepreneurial governments move away from administrative bureaucracies, they need to embrace both markets *and* community (Osborne and Gaebler: 309, emphasis original)

To what extent are citizens actually ‘empowered’ through Osborne and Gaebler’s community-based approach to governance? According to Bryson and Mowbray, captions of ‘community management’ and ‘community development’, should be scrutinised carefully:

Decentralization and regionalization of services are not infrequently accompanied by the assumption that decision making power is devolved commensurately. While strong evidence exists to contradict this, the assumption persists, and is all the more potent for the use of the term community with its traditional implications about autonomy and self reliance. This illusion may be seen to serve the major function of suggesting a degree of democratic decision making that does not in reality pertain, and may even mask the extension of state power (262).

With respect to democratic decision-making capacity, Osborne and Gaebler’s ‘community-owned’ approach to governance can be likened to Mayo’s authority-inspired version of teamwork or Peters and Waterman’s notion of directed autonomy within the organisation. Community ‘visions’ are the product of a “leader”—typically “a mayor, city manager, governor, or president”—who imposes his/her vision upon the community in a top-down fashion (326-327). According to Osborne and Gaebler: “A shared vision is not the same thing as a consensus. Entrepreneurial leaders rally their communities to their visions, rather than accepting a least common denominator consensus. This does not eliminate conflict, it simply assures that enough of the community shares the leaders’

vision to overcome the opposition” (327).

Dismissing the need for trivial concerns such as democratic consensus, Osborne and Gaebler focus on more important considerations such as the strategies entrepreneurial leaders might adopt to rally the public to their visions. ‘Crisis’—including the manufactured variety—is especially useful, they suggest, as a vehicle for fostering a sense of all consuming urgency that can be directed towards the end of particular changes. According to the authors: “Necessity is still the mother of invention. The most common form [crisis] takes in government is fiscal crisis, but economic crises, political crises, and even natural crises such as earthquakes can create demands for change. When no crisis is present, imaginative leaders sometimes create one. As Shakespeare wrote, “Sweet are the uses of adversity” (326).

Like Peters and Waterman’s self-regulating teams, Osborne and Gaebler’s communities are also buttressed by disciplinary and surveillance strategies. For the latter, the inability of bureau-professionals to impose and enforce a ‘moral code’ is portrayed as a crucial weakness:

Like public bureaucracies, professionals are also reluctant to impose their values by telling clients how to behave. In fact, by treating problems as ‘diseases’, professionals often avoid the questions of values and behavior altogether. Family members, church members, and community members are not so reluctant.

“One of the things that this community has brought back is a kind of old-fashioned shunning,” says Dr. Alice Murray, a psychologist who runs Kenilworth-Parkside’s Substance Abuse Prevention project. “It’s a way of saying, ‘This is behaviour we will not tolerate. Should it happen, then we put you through all the services, but we don’t expect it to happen ever again.’ It’s done in a very kind and gentle and loving way, but there’s shame when it occurs- which is not the case in the outside community” (Osborne and Gaebler: 70).

Community, in this sense, bears a strong resemblance to Peters and Waterman's notion of "culture" as a "set of rigidly shared values" (Peters and Waterman: 320). This 'disciplinary' dimension of community is not entirely new. As Bauman has pointed out, the 'Great Enclosure' movement referred to by Foucault only developed when capitalism eroded the traditional bonds of community, resulting in 'large floating populations'. According to Bauman, the "massive total institutions" described by Foucault "were merely about reconstructing the conditions of deploying disciplinary power, practised on a large scale by local communities, for the categories of population which evaded communal control" (1983: 37).

In their strong endorsement of disciplinary control, Osborne and Gaebler distinguish themselves from earlier community-activist movements, which often sought to give voice to marginalised populations within the community. In Osborne and Gaebler's community-based governance, any concern with community activism is dislodged in favour of an agenda that fosters the mobilisation of 'active communities' through civic self-sacrifice, or voluntarism. Like Peters and Waterman's organisational subject, the political subject that Osborne and Gaebler seek to 'empower' is a productive one:

Think of your church, your synagogue, your voluntary organization. It wants a contribution from you, in time, talent, or treasure. Hence its entire attention is on your *capacities*—on what you can bring to the task. In contrast, job training programs, social work agencies, police departments, and welfare programs focus on your *deficiencies*: what you don't know, what you can't do, how you have been victimized (70, emphasis original).

As Clarke and Newman have argued, it is this vision of a 'do-it-yourself' approach to public services based on "self-provisioning" communities that underpins Osborne and

Gaebler's ideal of a government that 'steers' rather than 'rows'. "With the ship of state's bridge full of captains and navigators", they argue "communities are increasingly expected to provide the galley slaves who will do the rowing" (Clarke and Newman, 1997: 135).

The Entrepreneurial 'Revolution'

The creation of new subjectivities is an important feature of a revolution, or a movement directed to the opposition of authority and/or the overturning of an existing government. Although refusing to denounce or endorse 'revolution' per se, Foucault argues:

It is through the revolt that subjectivity (not that of great men but that of whomever) introduces itself into history and gives it the breath of life. A delinquent puts his life into the balance against absurd punishments; a madman can no longer accept confinement and the forfeiture of his rights; a people refuses the regime which oppresses it. This does not make the rebel in the first case innocent, nor does it cure in the second, and it does not assure the third rebel of promised tomorrow. One does not have to be in solidarity with them. One does not have to maintain that these confused voices sound better than the others and express the ultimate truth. For there to be a sense in listening to them and in searching for what they want to say, it is sufficient that they exist and that they have against them so much, which is set up to silence them. A question of morality? Perhaps. A question of reality? Certainly. All the disenchantments of history amount to nothing: it is due to such voices that the time of men does not have the form of an evolution, but precisely that of a history (1999b: 133-134).

The constitution of new subjectivities was an important feature of many of the 'new social movements' whose 'politics of difference' sought to challenge the narrowly constructed identities associated with centralised state paternalism. According to Clarke and Newman:

...challenges to the old regime emerged from feminist critiques of the state's role in reproducing patriarchal relations; from black groups exposing the conditions and process of institutional racism; and from the disability movement's concern with the 'disabling' consequences of the ways in which social welfare was administered. At the same time, the developing consumer movement highlighted issues of the inadequacy of the relationship between providers and users of services; and community and voluntary organisations called for greater openness, access, and accountability (1997: 51).

It is these diverse movements that have laid the steppingstones in the popular struggle for a more creative and diverse, less standardised way of life. Insofar as this struggle constitutes a 'revolution', it is these various groups which are its vanguard.

In criticising such things as standardised 'one-size-fits-all services' in an age of consumer diversity, Osborne and Gaebler also promote a 'politics of difference'. The articulation of 'difference' however is confined to the realm of consumerism. Consumerism shares with Taylorism a view of the individual as rational actor geared to the maximisation of his/her self-interest—a view that is inimical to the expression of collective identities. The effect is both atomising and, arguably, dehumanising—as individuals are encouraged to act in their own interests rather than towards a collective good. This effect is intensified through a steering/rowing distinction which assigns responsibility for political 'conception' to politicians and new managerialists while simultaneously excluding the macro-level input of collective producers or various other 'special interests'.

Where consumerism fragments collective identities in a Taylorist fashion, 'community'—as Osborne and Gaebler construct it—represents an attempt to reconstitute collective identity in a Mayoist fashion. Atomised consumers are organised into self-

regulating teams bound by the epoxy of a vision conceived by political elites. The 'human element' alienated in the sphere of the self-interested individual consumer is reintroduced as a moral injunction to 'care' for community members, where care is expressed as unpaid labour and a disciplinary 'tough love' approach to society's nonconforming members.

The struggle that Osborne and Gaebler invite us to join is, therefore, a very different one than that envisioned by the new social movements. Where the latter promoted an identity politics based upon insurrection, Osborne and Gaebler would consign us to identities narrowly conceived in managerial authority. The entrepreneurial 'revolution' is not directed by the cause of inequality, whether it be of class, gender, colour or various other marginalised representations within society. These are, rather, the 'special' interests that it sets itself against and the elements of the population it wishes to assimilate through disciplinary means. As the self-appointed vanguard in the 'war against bureaucracy', the new managerialists are primarily concerned with self-emancipation, or a greater 'freedom to manage'.

Expressing dissent from the new managerial agenda has become increasingly difficult. As Clarke and Newman (1997) have observed, the managerial discourse of change has selectively "appropriated the dynamic and critical languages of past radicalism: speaking in the name of users (as customers), committed to the 'empowerment' of everyone, and promising to overthrow old power bases and their vested interests" (54). By insinuating its agenda into the language of alternative and oppositional movements, managerialism both co-opts alternative agendas and debases the

currency of their vocabularies, rendering opposition harder to articulate. Where dissent from the new managerial agenda still exists, Clarke and Newman argue that it is primarily in the form of “passive dissent”:

Familiar examples are the patterns of scepticism or cynicism that are a recurrent response to the inspirational language of organizational transformation. This treats the discourse of change as ‘empty rhetoric’—a dazzling imagery that conceals a grim reality of declining services, shrinking resources, and gung-ho managers following the latest big idea while the front line struggles on (54).

The effect, according to Clarke and Newman, is that managerialism has been able to achieve a relatively hegemonic position in the debate about public services:

...the managerial conception of change has excluded other views of what could or should be changed. It has filled the discursive space in which change is conceived. It defines the terrain and direction of change. It expresses the imagined futures and the ways of getting there. It establishes the limits of the possible, the imaginable and, above all, the sayable. Anyone who wishes to join this debate needs to find ways of accommodating themselves to the discursive terms of reference or risk being left on the margins—lost for words (52).

Although emancipatory and populist in tenor, the discourse of the new managerialism sabotages our genuine efforts to find a more credible language and imagery through which to imagine the idea of a more democratic future. This is not surprising, because while the new managerialists often invoke the mantra of ‘choice’ in the realm of consumerism, they would limit our power to choose with respect to more fundamental issues. In the transition to entrepreneurial governance, ours is not a power to choose. Ours is but a power to acquiesce in a transition which Osborne and Gaebler declare from the outset is “inevitable” (325).

Conclusion

[Tom] Peters is the Michel Foucault of the management world: a scourge of the rationalist tradition and a celebrant of the creative necessity of chaos and craziness (Micklethwait and Wooldridge, 1997: 100).

...those who resist or rebel against a form of power cannot merely be content to denounce violence or criticise an institution. Nor is it enough to cast the blame on reason in general. What has to be questioned is the form of rationality at stake....The question is: how are such relations of power rationalised? Asking it is the only way to avoid other institutions, with the same objectives and the same effects, from taking their place (Foucault, 1999c: 152).

In perspective, the new managerialism, in both private and public sectors, reveals

itself as less that enlightened paradigm shift in organisational practice than, like bureaucracy, the heir of a past and, while its pedigree is routinely disavowed, the likeness, I have argued, becomes increasingly plain as one grows better acquainted with the grand aspirations of Frederick Taylor and Elton Mayo. Although the new managerialism purports to challenge the Taylorist rationality encoded in bureaucratic design, it promulgates this same managerial discipline in the form of the performance indicator, the benchmark, and the distinction between those who ‘conceive’ and those who ‘execute’ in the process of governance. It is, like Taylorism, an atomising force, designed to exclude the voice of the producer and the collective and it, too, presents itself as a ‘one best way’ of organisational and governmental reform. While it articulates its agenda in the uplifting language of spiritual and political emancipation, its prophetic vision of a ‘re-enchanted’ world has been inspired by Mayo’s conception of an ‘adaptive’ society fashioned by a managerial elect of shepherd kings. Loath to abandon these authoritarian dreams, the new managerialism lures us with the promise of a highly managed ‘empowerment for all’, an empowerment which ensures conformity and compliance with managerial goals, and which is designed to reconcile both the organisational and political subject to the Taylorist rationality it ostensibly repudiates. While it draws extensively upon a rhetoric of ‘choice’, it does extend to us the choice of whether to accept or reject its agenda. As with the Calvinist doctrine of predestination—which Weber believed so crucial to the formation of bureaucratic capitalism—the new managerialists point the way to an ‘inevitable’ future where, powerless to alter our destiny, we can only manifest signs of divine favour through personal affirmation of a new managerial calling and a rigid ethic

of hard work.

In short, the new managerialism looks very much like the 'old' managerialism, the kind that sought to maximise the productive capacity of the subject, to minimise resistance to managerial goals and, above all, the kind which sought to *control*. Although no more insurmountable or 'inevitable' than bureaucracy, Taylorism, or human relations, its force should not be underplayed. In the extent to which it has been able to gain a relatively hegemonic position in the debate about public services, it has increasingly narrowed the discursive space that we have to pose and debate these issues critically. While not a monolith in bricks and mortar, the new managerialism is now a vast, deep, and increasingly tameless power, its web of piecemeal managerial authority cast across the boundaries of national and local, public, private, and civic, and, above all, heart and mind. Inasmuch as it would lock popular desires for a less standardised way of life into its rigid managerial blueprint for change, it promises to shape the future in ways that merely reconstitute the problems of the past in a new guise.

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