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CONTENTS

Gustafsson, Claes & Rehn, Alf <i>Excess and Organization: A Comment</i>	i
Bakó, Rozália <i>Flooded by Status Symbols – Organizational Responses to Abundant Choice Within Post-Totalitarian Context</i>	1
Bean, Connie & Mills, Albert <i>Space to Earth – Reconstructed Critical Theory and the Spirit-at-Work Debate</i>	7
Elsmore, Peter & Park, Ian <i>An Application of Some Ideas from Postmodern Theorising, Or, Ironing the Crumpled Handkerchief: A Case Study of Social Exclusion in XTown</i>	29
Fernández Rodríguez, Carlos Jesús <i>The Figure of the “Hero Manager” in Management Books: A Structuralist Approach</i>	43
Fryer, Mick <i>The Ethicality of Transformational Leadership: A Comparison of American and British Models</i>	63
Hallin, Anette <i>Excess of Visions: The Creation of Empty Spaces in Organizations</i>	77
Heusinkveld, Stefan <i>Excess, Forgetfulness and the Persistence of Organizational Allergies</i>	95
Hobson, Dean, Kerr, Don, Burgess, Kevin & Houghton, Luke <i>The Inefficiencies and Excess’s of Enterprise Resource Planning Systems (ERP)</i>	104
Lapp, Cheryl & Carr, Adrian <i>Escalating mores: Eleytherias i Thanatos</i>	118
Mraović, Branka & Crowther, David <i>Lemmings in the Casino: Metamorphoses of the Crises of Capitalist Accumulation</i>	139
Pelzer, Peter <i>The Futility of Excess, Or: Where’s the One Who Understands the Data?</i>	162
Phillips, Mary <i>A Gentlemanly Body: The (Excessive) Case of the Institute for the Motor Industry</i>	180
Riach, Kat <i>Excess to Requirements? Older Worker Construction in One UK Supermarket Chain</i>	191

Steen, Marc <i>Reading Microserfs: A Story About Research & Development as a Search for Identity</i>	220
Sykes, Chris & Treleaven, Lesley <i>Managerialism at Work: A Case Study of Buckets, Bureaucrats and Bullying</i>	233
Wallace, Peggy & Mills, Albert <i>Space: The Last Frontier or Endangered Species?</i>	251
Zhaoxun, Song <i>Contemporary Chinese Organizational Culture in Hero Storytelling: A Rhetorical Analysis</i>	268
Ählström, Jenny & Macquet, Monica <i>Sufficiency and Super-Size Me: Excess and Consumer Marketing</i>	286

Gustafsson, Claes & Rehn, Alf

Excess and Organization: A Comment

Regardless of all the talk of an “experience economy” and the “post-industrial society”, organizations are still often seen as attempts at efficiency. We may acknowledge irrationality and various political and social agendas, but there still exists a notion that organization would somehow, by logical necessity, be about saving resources and creating more efficient systems. At the same time, we see a world around us where a multitude of products, services and unnecessary activities seem to proliferate, and where redundancy and extras are everywhere. This cornucopia of the excessive has often been seen as a fundamental flaw in the modern world, the creation of luxury for some while most live their lives in want and squalor. But although such dismal views have their place, there is also much more to the notion of excess.

Excess stands for that which is above and beyond the bare necessity, the barren land of utility, and harsh puritanism. It can be found in exuberance, in inebriation, in obesity. It can be found in redundancy, in emotion, in romance, in aesthetics. Everywhere that there is more of something than is absolutely needed, there is excess. This perspective has been brought forth in a number of ways, by a number of thinkers and writers, but is still seen as a marginal position. Famously, Georges Bataille espoused the notion of a “general economy”, a theory of the economy that builds on waste and excess. Similarly, Marshall Sahlins argued for the existence of an “original affluent society”, a view on human development that turned away from the notion of dearth and lack as the original human condition. Johan Huizinga placed the playful *Homo Ludens* as the primus motor of culture, and Michel Serres talked of the *Parasite*. James March spoke with some reverence of “the technology of foolishness”, and even old Karl Marx noted the existence of luxuries. Several contemporary authors have, in different ways, commented on the excess present in modern Western society. People who draw on evolutionary theory for inspiration point to the need for massive redundancy in systems. Innovation theory notes the number of failures needed to launch a single success. And what would marketing be without excess?

Thus, the SCOS XXIII-conference, and this collection of papers. They all, in their own way, reflect and react on the notion of excesses and the abundance of everything around us – the abundance of stories, of people, of symbols, of things, of organizations, of bureaucrats, of managers, of capitalism, of death, of life, and of everything else. What they also show is the profusion of interpretations and potential analyses present to contemporary social scientist. They do not apologize for their excesses, they revel in them. Happy reading. Don't overindulge. On second thought, do.

Flooded by Status Symbols

Organizational Responses to Abundant Choice within Post-totalitarian Context

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Abstract

An essay based on the analysis of leadership attitudes in a Transylvanian business community is aimed at highlighting the role of status symbols in shaping the emerging narcissistic organizational culture within post-totalitarian context.

The key assumption of this paper was that conspicuous image-making is a driving force in creating organizational success. Fancy cars, glamorous offices, overdressed managers and the use of a mixed, "Hunglish" or "Romglish" language (the mix of Hungarian or Romanian common words and English business vocabulary - such as: "deadline", "job", "market" etc.) are the most important ingredients of impression management.

However, imposed ascetism of the communist regime did not create strong consumerist attitudes in South-East Transylvania - yet. We can expect a flood of status symbols in Seklerland in the forthcoming years.

Role-modelling forces of the emerging organizational culture are complicated issues that are to be explored on a broad interdisciplinary basis by Sociology, Psychology, Anthropology and History.

Background

Romania could be defined as a transitory place between Eastern and Western, Northern and Southern Europe. "We are, at worst, Scandinavia of the Balcans" [1]: something in between Central- and Southern Europe. The fall of the communist regime amplified the quest for identity both on national and on a regional level. Identity crisis was explained as the failure of modernization initiated in the 19th century by the liberal and educated elite of the 1848 revolution and brutally repressed by the communists in 1948: a hundred years were not sufficient to redesign Romanian society from a traditional-rural-communitarian- to a modern-urban-individualist system [2].

The "communist experiment" had a devastating effect on economical, political, social and cultural life: it destroyed the system of private property, the network of social solidarity, the emerging constitutional monarchy, and literally exterminated the existing political and cultural elite. In forty years, like in Milgram's experiment on transforming individuals into obedient robots, the communist regime succeeded in developing a well-organized totalitarian system built on fear and deprivation [3]. "One can easily imagine what happens to a young nation, formed mostly by peasants, when submitted to the heavy repression and uniform education of the Communist age..." [4]. After destroying the intellectual elite, communist rulers started to form the new elite, capable to develop the new social order. By 1950, over 40.000 activists who completed their six-months courses in communist press and propaganda were placed in key positions [5].

Transylvania, the most diverse historical region of Romania, mythological space of vampire legends and cradle of multiple ethnic and religious groups, suffered even a deeper identity crisis under the pressure of communist equalization. "Disputed in the modern times between Hungary and Romania without the conflict ever reaching the heights of conflicts in former Yugoslavia, Transylvania survived all through the 20th Century as an ethnic mix of Romanians, Hungarians and Germans. Gypsies are also there, but quite unnoticed; Jews used to be there, but they were either decimated during the Holocaust, or they left during Communist times..."[4]. Rebuilding identities from ashes was a painful process for Transylvanian ethnic and religious groups. In the background of this economical and political transformation, the global shift to new technologies and lifestyles created a complicated tissue of tradition and innovation, of exoticism and grotesque in the region. Especially in Seklerland, South-East Transylvania.

Economical elite in Seklerland

Analysing organizational practices of economical actors from Seklerland, the Communication Anthropology Workgroup caught the emergence of new, entrepreneurial groups from the "archaic, quasi-elite" of heterogeneous economical actors [6]. Seklerland, a region mainly comprised of villages and small towns (except for one larger industrial centre, Marosvásárhely /Tîrgu Mureş), had a distinctive micro-regional structure developed around small towns. These mainly rural areas did not produce a local economical elite during early modernization (mid 19th- mid 20th century); instead, entrepreneurs were "foreigners" both ethnically (Armenians, Jews) and geographically (established in Seklerland from other regions of the country or from abroad). During communist regime (1945-1989), the entrepreneurial elite was radically substituted by the administrative elite of the Communist Party, which monopolized both political and economic privileges. Locals were underrepresented in these structures during 1945-1968 and 1977-1989. Except for a short period when locals have had access to leading positions (1968-1977), those in power were perceived as "foreigners" again. This historical aspect is crucial in understanding the Seklers' rejective attitude towards entrepreneurial roles, at least in the first years of transition to a market economy. The above mentioned anthropological research revealed a specific typology of post-totalitarian elite roles in the region [6]:

in rural areas, four types of economical elites emerged: the agricultural entrepreneur, the big business-entrepreneur, the young entrepreneur and the experimentalist;

in urban areas, five types were distinguished: the former elite in independent status, the former elite in dependent status, the middle-aged technical expert, the young entrepreneur and the experimentalist.

The most dynamic economical elite roles in terms of expansion and innovation are those of agricultural entrepreneurs (responding to increasing market needs), the former elite in independent status (converting its political capital into economic capital), young entrepreneurs (more open and flexible than other categories) and experimentalists (a heterogenous group of entrepreneurs who can afford to take risks, because they have

other income sources, as well). From our analytical perspective - the increased role of status symbols within post-totalitarian context - these four elite categories are essential in understanding transition from scarce commodities to abundant choice, from "non-voluntary simplicity" to consumerism.

Symbols shaping our status and the organizational culture

Symbols can be defined as material or ideal objects standing for other objects - approximating, substituting, representing them. Organizational culture as the expression of shared values, meanings and practices is deeply connected with the process of creation, exchange, consumption and reproduction of symbols. An important role of social research is to identify a limited number of concrete social objects to represent abstract social structures and processes (Smikun 2000). Pratt and Rafaeli [7] define four main categories of organizational symbols:

- dress and personal adornment;
- physical landscape and office design;
- technology;
- dramaturgical props.

These representational elements act as a language for status and identity, both expressing and shaping our position, sense of belonging and social acceptance within an organizational context. As Goffman put it, in order "to have, to be in and to maintain face" requires an "internally consistent image-making supported by judgement and evidence" [8]. Through organizational interaction we continually define and redefine our professional and social standing and the vehicles, the tokens of these transactions are organizational symbols.

Symbols have four main functions in developing organizational culture. Firstly, they reflect organizational culture on the level of feelings and thoughts. Symbols bridge between members' emotions and make them comprehensible [9]. Secondly, symbols trigger internalized values and norms, by linking feeling, interpretation and action in organizations. Thirdly, symbols offer a frame, an "alibi" for conversations about members' organizational experiences. Thus symbols help people share their emotions and thoughts. Fourthly, symbols integrate organizational systems of meaning by helping organizational members and observers integrate their experiences into coherent systems of meaning. Two main features of organizational symbols define today's shift to mobility and virtuality: instrumentality and portability [7]. Instrumentality refers to the usefulness, or task fulfilling properties of a symbol, above and beyond its symbolic value, whereas portability means that a physical symbol can be easily carried or transported. The more flexible and mobile organization is, the more important instrumentality and portability of symbols is. In today's work places, portable and instrumental organizational symbols become omnipresent: T-shirts, mobile phones, laptops and cars mark the ubiquity of organizational environment. Sometimes funny, sometimes fancy objects- but can we afford them in a backward cultural space like Seklerland, where incomes are far below the national average?

Status symbols in Seklerland: close up to professional standards or narcissism?

Interviews conducted with business development experts (finance, HR) and business people from the region showed significant differences between economical elite categories as mentioned already: agricultural entrepreneurs, former elite in independent status, young entrepreneurs and "experimentalists".

The most wealthy business group, the *former elite in independent status* showed, as expected, the most expensive status symbols: exquisite cars, fancy technologies (both fixed and portable) and special attention to look and proper behavior/ language. This consolidated status group did not show the need to conspicuous presence, being accommodated with high position and constant social recognition. A profile: A.D.,55, male, former director of a state-owned company during Communism, is now the managing director of a successful large private company. Very polished, formally dressed, he acts in a low-key both in business and private environments. Everything around him is functional and qualitative - his language, too. In three words, he is moderate, professional, accomplished .

Agricultural entrepreneurs, working mainly on the country-side, in a more traditionalist environment, showed more need to highlight appearance and dramaturgic (ritual) elements of success and status. Less skilled and recognized than former elite members, agricultural entrepreneurs rest content with their "little circles" of admirers. A striking case could give an idea of how this status group re-shaped their identities through status symbols: S.C. (male, 37) is running a successful small agro-business in a multi-ethnic and multi-cultural village from Seklerland. Supported by a rural development local foundation, he completed an agro-business course in Switzerland during the late 90's. When returned to his village, he was very enthusiastic a couple of weeks, willing to develop a business according to Western standards. Soon he realized that local legislation and mentalities were not flexible enough to enable smooth business development. What he succeeded to do was a mix of new business ideas and local resources and to create a profitable small rural business. Success could not stay invisible: he bought a fancy car, built an impressive house, started to dye his hair (perceived as ostentatious by the local traditionalist community) and persuaded his wife to become a "high-profile showy woman", suggesting her to use cosmetics, do fitness and smoke (!)

Young entrepreneurs show a great variety in terms of career, success, values and attitudes. From self-made men who took risks to wealthy kids of the former elite, this business category takes various stands in terms of showing their successfulness through status symbols. Considering the four categories of organizational symbols- dress and personal adornment, physical landscape and office design, technology and dramaturgical props, young entrepreneurs seem to be the most willing to use them all as image-building elements. However, technical items are the most important of all: fancy cars, laptops and last generation mobile phones convey the message of spectacular success. Trendy clothes are also important to mark "connectedness", and in terms of behaviour / attitudes, managerial knowledge is conspicuously showed by the mix of Hungarian or Romanian common words and English business vocabulary. Romanian entrepreneurs seemed to be more attracted by this language-mix than Hungarian ones.

"Experimentalists" are the most heterogeneous group of entrepreneurs in

Seklerland, both in terms of social and demographical traits (age, gender, status) and concerning their level of commitment to business success. Open to low risk taking for economical or developmental reasons, this category has the most pragmatic approach to entrepreneurship and to image-building activities. Investing in status symbols has a low priority for this group. A car is a car; a computer is a tool; the mobile phone serves for quick and effective communication.

Young entrepreneurs and "experimentalists" are the basis of a newly emerging category: *business professionals*. Educated, dynamic, mobile, this category wears multiple hats, experiments multiple organizational roles: leaders, consultants, employees or post-graduate students. They are shapers of a new organizational culture, centered on performance, teamworking and project-based activities. The latest developments in technology and business management knowledge are their main focus in image making. Ostentatious, showy look is far from their style.

		Office design	Technology	Dramaturgy
Dress, personal adornment				
<i>Former elite in indep. status</i>	++	+++	++	+
<i>Agricultural entrepreneurs</i>	++	-	++	+++
<i>Young entrepreneurs</i>	++	++	+++	++
<i>"Experimentalists"</i>	+	+	+++	++
<i>Business professionals</i>	++	+	+++	+

Table: priority of different status symbols in Seklerland's business group categories: +++ high priority, ++ moderate priority, + low priority, - low priority

Conclusions

Although communist era created poverty and deprivation, Seklerland - the South-East Transylvanian region did not overreact to abundant choice of consumerist age. Businesses act under constrain in a region where unemployment rate is 7.8% (above the 6.5% national average) and income is significantly below the national level [10]. Except for multinational companies and medium size local businesses, most organizations can not afford conspicuous, narcissistic image-making.

Instead, when we perceive ostentatious presence of business actors in public places (and we do see plenty of it), it is the "low business class" showing off their new assets [11]. Striking examples like the one described in paragraph about agricultural entrepreneurs are rather exceptions. Seklerland is still a traditionalist region in half way through modernization and we can expect a flood of status symbols in the forthcoming years.

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**Space to Earth:
Reconstructed Critical Theory and the Spirit-at-Work
Debate**

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The notion of excess and organization is timely. It appears that we are living through a period of excesses of consumerism and corporate dominance, greed, and corruption. In the absence of the strong socialist movements that dominated much of the twentieth century we have seen a surge of interest in spirituality at work, as people confront alienation and grapple with meaning at work. In the process the broader issues of the nature of work have been generally obfuscated in a search for religious meaning. In this paper we seek to reveal the significance of the spirit-at-work movement at this particular point in our history by examining it through the lens of existentialism and critical theory.

Spirit-at-work Movement

Spirituality in the workplace has recently emerged as a popular topic with the academic community, the media and the business community (Bell & Taylor, 2003; Elmes & Smith, 2001; Garcia-Zamor, 2003; Harrington, Preziosi, & Gooden, 2001). To attest to the level of academic interest, special journal editions have been published on topic of Spirit-at-work in the *Journal of Organizational Change Management* (Biberman & Whitty, 1999), the *Journal of Management Education* (Dehler & Neal, 2000), and the *Journal of Management Inquiry* (Bowl & Hirsch, 2000). The Academy of Management publishes a regular *Management, Spirituality & Religion (MSR)* newsletter and a peer-reviewed journal has recently been introduced under the name of *Journal of Spirituality, Management & Religion (JSMR)*. According the JSMR mission statement, “The remarkable explosion of scholarship in the field of management, business, organizations and work provides the opportunity for more specialized interest areas. One area whose time has come is that of Spirituality and Religion” (JSMR 2004, *Journal of Management Spirituality and Religion*).

Spirit-at-work educational conferences and seminars have also become popular within the last decade. During the first year of this millenium, there were more than a dozen spirit-at-work conferences held worldwide and nearly fifty universities and colleges offering workshops and credit courses on the topic of spirit in the workplace (Ellison, 1983; J. Neal, 2001). In April 2003, the Leadership, Values and Spirituality Conference at the Harvard Business School challenged business leaders to lead with integrity, reflect on their spiritual values and create a fulfilling workplace (Tanvir, 2004). In July 2001, the conference for Spirituality and Organizational Leadership at Santa Clara University opened with Tibetan chimes,

mystic readings and silent meditation. In retrospect, the organizer of this conference and director of the Leavey School of Business at Santa Clara University, Dr. Andre DelBecq, admitted, "There were two things I thought I'd never see in my life, the fall of the Russian empire and God being spoken about at a business school" (Gunther, 2001 p.59).

The topic of spirit-at-work has also received significant empirical attention from both organizational and religious researchers. Measures of workplace spirituality have been developed (Ashmos & Duchon, 2000; Bufford, Paloutzian, & Ellison, 1991; Ellison, 1983; Hungelmann, Kenkel-Rossi, Klassen, & Stollenwerk, 1985; Milliman, Czaplewski, & Ferguson, 2003) along with "best practices" models for fostering spirituality in organizational settings (I. Mitroff & E. A. Denton, 1999). The factors used to measure spirituality in the workplace vary due to the emergent nature of the movement. Three dimensions in particular appear frequently in the research however: the Individual, Group and Organizational levels (Milliman et al., 2003; J. Neal & Bennett, 2000). These three dimensions appear to manifest in the workplace in the following ways: Individual level through meaning of work; group level through a sense of community; and organizational level through the individual's alignment with the organization's values (Milliman et al., 2003).

Recently, efforts have been made to provide empirical evidence for a link between spirit-at-work and positive employee and organizational outcomes. Research indicates that engaging the spirit helps both employees and their organizations by giving individuals "meaning in their work, a renewed and inspired commitment to performance through service, and a deepening of the valuing of relationships in the workplace" (J Neal, 2000). Rather than imply that spirit-at-work leads directly to organization efficiencies, however, researchers are more likely to focus on

accountability of organizations to individuals and to society. The premise is that fostering a culture of spirituality creates the breeding ground for wellbeing and wisdom (Bierly-III, Kessler, & Christensen, 2000) and shows how work can be a source of individual and community spiritual growth (J Conger, 1994; Mirvis, 1997).

In response to public interest, the media has embraced the concept of spirit in the workplace. Cover page articles have appeared in popular business practitioner magazines such as Time with “The Science of Meditation (Time, August 2003) and “Prayer” (Time January, 2004); Fortune with “God & Business” (Gunther, 2001 Fortune Magazine); and Business Week with “Religion in the Workplace” (Conlin, 1999). International recognition, such as the International Spirit at Work award, helps to expose business leaders to practical ways that organizations can succeed by supporting spirituality among employees and, basically, brings spirituality into the boardroom. Business books are becoming more popular with titles geared at every audience ranging from “Chicken Soup for the Soul at Work” (Canfield, Hansen, Rogerson, Rutte, & Clauss, 2001) to “Discovering the Spirituality in Work” (J. Conger, 1994; J Conger, 1994).

Construct and Definition of Spirituality

The construct of spirituality is nebulous and even those who are intimately involved in the topic do not agree on its definitive terms (Harrington et al., 2001; Laabs, 1995). Definitions of spirituality range in complexity from the simple, “desire to find ultimate purpose in life, and to live accordingly” (Mitroff, Mason, & C M Pearson, 1994) to the more elaborate, “vital, energizing force or principle in the person, the core of self” (Fairholm, 1996 p.11). If a single word could capture the meaning of spirituality and the vital role that it plays in people's lives, that word may be "interconnectedness" (I. Mitroff & E. A. Denton, 1999). In summary, spirit in the

workplace represents the soulful enrichment that reduces the separation and alienation people feel within themselves when their work lacks meaning.

For many, the term “spirit” or “spirituality” is synonymous with religion. Garcia-Zamor (2003) traces the historical roots of spirit-at-work and describes the distinction between viewing the movement in a religious context verses a more secular, universalistic perspective. Whether it be based on Christianity, Protestantism, Hinduism, Buddhism, Judaism or Islam, the underlying themes of the religious spirit-at-work movement appear to be belief in and respect for “the sacred, love for beauty and interaction of the divine in human destiny” (Garcia-Zamor, 2003 p.356). As far back as the Old Testament, work assumed a spiritual dimension whereby individuals could atone for the original sin they were born with, serve the moral good of self and others and provide community support (Kelloway, Barling, & Gallagher, 2004 (in press)). By its very nature, however, the association of religion and spirituality becomes problematic, particularly in this era of globalization and diversity.

Spirituality vs. Religion

On one hand, spirit-at-work as a religious-based construct is exquisitely timed. Over the past decade, interest in religious beliefs and practices has dramatically increased in the western and colonial worlds. Sales revenues for Bibles, prayer books, and other books about philosophy and religion increased nearly 33% between 1995 and 2000 (Gunther, 2001). Many organizations have openly embraced religious practices at work such as prayer groups, meditations and bible readings (Conlin, 1999). The major strength of the association of spirit-at-work with religion is that it is rooted in one or more socio-cultural theories of existence that provide ready-made sets of understandings to make sense of organizational reality (Weick, 1995).

On the other hand, regarding spirit-at-work as a religious construct may cause more context issues than it resolves. While links to organized religion can provide a strong discourse for those seeking deeper meaning in their work, they can also serve to obfuscate wider issues of power and control at the organization level. For some, there is a concern that imposing religious-based spirit-at-work may invite a resurgence of the Protestant Work ethic whereby organizations exploited their employees as “conscientious and unusually industrious workmen, who clung to their work as to a life purpose willed by God” (Weber, 1976 p.62).

Although the concepts of religion and spirituality are complementary, they are not considered synonymous and there is great opposition to imposing formalized religious practices on workers (Cash & Gray, 2000; Laabs, 1995; I. Mitroff & E. Denton, 1999). Results of a two-year empirical study conducted in the USA between 1997 and 1999, indicate that senior executives and HR managers view religion as a highly inappropriate form of expression in the workplace (I. Mitroff & E. A. Denton, 1999). The main gist of the argument is that the emphasis that religion places on dogma and formal structure excludes those who do not hold the same views (I. Mitroff, 2003). Some researchers are vehement about the distinction between spirituality and religion, claiming that while spirituality is universal, religion is viewed as necessarily exclusionary and divisive (I. Mitroff & E. Denton, 1999).

For all of these reasons, many researchers approach the subject of spirituality from a more secular, existentialist perspective that addresses broader questions such as: “What is significant about the work the organization and I are doing?”(Neck & Milliman, 1994 p.11). In this context, spirituality more closely aligns with the belief that humanity belongs within the greater scheme of things and it is a necessary ingredient if harmony is to be realized in life and work (Heerman, 1995). By contrast

to the negative views expressed about religion in the 1997-99 study, executives viewed spirituality as a highly appropriate subject for the workplace and believed strongly that “organizations must harness the immense spiritual energy within each person in order to produce world-class products and services” (I. Mitroff & E. A. Denton, 1999)

Having exposed the problems associated with exclusion and bias inherent in religious based spirit-at-work, a dilemma is unveiled. Where religious-based spirit-at-work literature is well grounded in historical theology and culture, much of the secular literature lacks a theoretical grounding. “Where religion has established belief rooted in the past and sets forth creeds and doctrine, spirituality is the praxis of faith”(Harrington et al., 2001 p.156). Without the historical, social foundation that religion provides, some researchers regard the spirit-at-work movement as a lacuna or new age fad and are repelled by “the New Age sappiness and silliness” of articles and books written about spirit-at-work (I. I. Mitroff, 2003 p.376).

One of the major symptoms and causes for this attitude is the inadequacy of positivist research methods to quantify or represent constructs such as spirituality. The unclear direction of the spirit-at-work movement may be a result of the lack of agreement on the meaning of spirituality in the context of work (Bell & Taylor, 2003; Garcia-Zamor, 2003). Some researchers claim that it is like “trying to factor analyze God!” Yet, without the ability to contextualize and measure spirituality, research results are likely to be trivialized and the topic “will ultimately be abandoned by scholars and organizational members as yet another fad that never produced significant change” (Founaciari & Dean, 2001 p.336).

Perhaps most significantly, the secular approach to spirit-at-work appears to lack critical thinking and a grounding in theory. Some secular approaches to meaning

at work have a somewhat checkered history because of their association with orthodox Marxism (e.g., theories of alienation) and the 'evil Russian empire' (Gunther, 2001). Nonetheless, we contend, reconstructed critical theory (Best & Kellner, 1991) and existentialism (Jean Paul Sartre, 1963) have much to offer the current debate on spirit-at-work by offering (i) a strong theoretical grounding to secular approaches to meaning at work, and (ii) a critical perspective of the nature of work in modern industrial society. By grounding the spirit-at-work philosophy in existentialism and critical theory, we endeavor to encourage a renewed focus on the relationship between identity, interrelationships, and the structure of work that has so far eluded the movement's debate.

Spirit-at-work and Existentialism

Existentialism, with its to concern for the emancipation of the human spirit, provides a suitable framework for explaining and exploring spirit-at-work. Throughout the existentialist literature, the prevailing theme is that human beings have a basic, almost primal need to make choices and influence their own existence (Kelly & Kelly, 1998). Focus is on the individual, belief in freedom of choice, commitment of the individual to be authentic, and concern with the meaning of life (Solomon, 1972). The full potential of the whole human being that Mitroff and Denton (1999) refer to within the spirit-at-work movement is akin to the "being" in Sartre's "Being and Nothingness", both from a brute and consciousness level of existence. These dominant themes also align with and support the first dimension of spirit-at-work philosophy: the spirit of individual manifested through meaning of work.

Jean-Paul Sartre's (1957) description of the ultimate subjectivity of individuals when defining their authentic selves and their values also provides foundation for the

third dimension of the spirit-at-work philosophy: the organization level. As in existentialist theory, the individual must be aware of their own values then make choices to live (or work) in such a way that they can be authentic and abide by those values.

In modern organizations, the “commodity theory of labour” prevails as people are treated with the same lack of regard as innate objects such as supplies and materials. Workers are expected to perform so as to meet organizational goals of efficiency and profit while their individuality is neither important nor part of the profit equation (McGreggor, 1966). The spirit-at-work movement recognizes this travesty, and seeks to rectify the situation by restoring humankind’s most basic and existentialist need: The opportunity to realize one’s full potential as an individual both on and off the job (I. Mitroff & E. A. Denton, 1999).

Most significantly with respect to spirit-at-work philosophy, the ultimate power of the existentialist relationship between the *pour-soi* and the *en-soi* is that individuals are free to choose or reinterpret themselves at any time. Recognition of this existential process may serve to inhibit any attempt by others to impose their opinions or objectify an individual. After all, “Man is nothing else but that which he makes of himself” (Sartre, 1948, p.28).

Jean-Paul Sartre and Martin Heidegger’s existential notions “authenticity” (Heidegger’s *eigentlich*) and its opposite, “bad faith” (Heidegger’s falling into *uneigentlich*) deal with the commitment of the individual to constantly examine their choices in search of true meaning and provide credibility for the organizational dimension of spirit-at-work (J. P. Sartre, 1948; Solomon, 1972). These notions also provide a foundation for the spirit-at-work tenets of morality and stewardship (Fairholm, 1996) and the individual’s need to engage in interesting and meaningful

work (I. Mitroff & E. A. Denton, 1999). Sartre's notion of bad faith, and Heidegger's notion of *uneigentlich* are also exemplified by modern day managers who give up their true search for meaning in their work to blindly follow the rules in a corporate world that is devoid of ethical or moral character. In the process, they alienate themselves from their true selves, what Heidegger refers to as their "*daisen*", and are devoid of moral or spiritual character (Solomon, 1981).

In "Being and Nothingness", Sartre reproached humankind for *being in others*, allowing themselves to be pawns and visions of others rather than being their true selves. This is reminiscent of the mechanical way many employees put in sixty hours a week in soulless offices. Sartre's subsequent evolution of his existentialist theory to include concern for society in "Critique of Dialectical Reason", provides insight and grounding for the spirit-at-work notion of community and the need for interconnectedness with others (Hungelmann et al., 1985; I. Mitroff & E. A. Denton, 1999; J. P. Sartre, 1976).

Building on the well-researched assumption that people involved in decision-making are more committed than those who are not, some researchers claim that "to the completely uninvolved, life is meaningless because it has become a closed system ... and therefore dead or dying" (Kelly & Kelly, 1998 p.17).

This spirit-at-work philosophy that human beings need to find meaning in their everyday work is consistent with that of French existentialist, Albert Camus, who asserted: "Without work, all life goes rotten. But when work is soulless, life stifles and dies." (Camus, 1960). Just as Sisyphus was fated for eternity to push a giant rock up a hill only to have it tumble down again, today's spiritless managers are fated to try living up to expectations of the corporate gods, only to have their work discounted in the endless progression of changing business goals (Camus, 1959).

Spirit-at-work and Critical Theory

Before proceeding with a discussion of Critical Theory and how it parallels the spirit-at-work movement, it is valuable to recognize that critical theory “represents a category of sociological thought built explicitly on the work of the young [Karl] Marx” (Burrell and Morgan, 1979, p.283). These Marxist roots permeate the critical theories of the Frankfurt school (which will be elaborated in later on in this section) but also help to explain the emergence of the spirit-at-work movement. A hundred and fifty years ago, Karl Marx and Frederick Engels’ foretold the end of private property ownership by the capitalist system and the coincidental rise of a workers’ paradise in the Communist Manifesto. Although this Marxist ideology failed as a political movement, there are parallels between it and the current cultural and spiritual revolution. Marxist philosophy “reacted against the concentration of power in the hands of capital that came about as a consequence of the industrial age. Now, as the information age progresses, the same concentration of power can be seen through the dominant property form of the era, that is intellectual property” (Hunter, 2005). At this point in our history, it appears that the source of power over capital is changing hands from the supremacy of the organization to that of the individual in charge of his or her own intellect and spirit. Although the Marxist idyllic view of socialism appeared to be a failure from a political perspective, we should not throw the bath water out with the baby. The philosophy is pervasive and a powerful in its ability to describe the need for the massive social change once the power over capital changes hands.

Hegel also asserted that the object of history was to realize self-consciousness through a mindful critique of the status quo. From this lens, the spirit-at-work movement may be regarded as an historical step, an evolution of human development

to a higher level of consciousness through contemplative thought and self-realization, particularly during the present era where individual thought is encouraged. Hegel's philosophy may also help to explain why there is such a lack of consensus on the construct of spirit in the work context. If, as Hegel contends, it is individuals' thought processes that collectively lead to self-realization, it is small wonder that there is lack of agreement on the definition for a concept that has at least one unique definition for every person involved in the inquiry.

Critical theory, like Marxist ideology, is overtly political in that it seeks to reveal society and positivist, functional superstructures for what they are and "lay the foundations for human emancipation through deep-seated social change" (Burrell and Morgan, 1979, p.284). However, the Frankfurt School theorists (a term often used as a synonym for critical theory), are also practical in their attempts to "influence the consciousness of people living within [the functional social form] with a view to eventual emancipation and the pursuit of alternate forms of life" (Burrell and Morgan, 1979, p. 297).

The Frankfurt School philosophy that critical theory encourages human action, emancipates the human spirit and is subjective rather than objective, aligns not only with existentialism (at least on the surface) but an additional lens for examining the subjective nature of spirit-at-work movement. Spirit-at-work necessarily involves human initiative and action through self-examination and value assessment. Further, meaning of work, will be unique or subjective for each individual and requires active contemplation. If individuals were to follow the directions of the organization as to how to be spiritual, for example, the process would be negated. Active inquiry and awareness of one's own values and needs are necessary ingredients for enlightenment in critical theory and in the spirit-at-work movement (Held, 1980).

Emancipation of the spirit is perhaps one of the greatest potential outcomes of the spirit-at-work movement. Organizations may appear to have control over the physical, mental and even emotional attributes of an agent, but they have yet to exercise control over the spiritual aspect of an individual. Physical trials, personality tests, and IQ measures are popular instruments to monitor human resources. With the exception of gauging individuals' levels of individual, group or organizational engagement, spirituality itself is subjective and not objectively measurable. It is in this area that true emancipation by individuals in organizations is possible. It follows that because spirituality is subjective, it has different meanings and levels of intensity for everyone and is not open to judgment by anyone (Held, 1980).

The spirit-at-work movement may also be the saving grace to withstand the threat of what Adorno and Marcuse referred to as the administered modern industrial society. Some researchers argue that we are already experiencing such a consumer driven, profit centered society that employees are completely unaware that they are being exploited. People are so out of touch and so alienated from their true selves that they don't know what they are missing. To break this cycle, the spirit-at-work movement offers individuals the chance to step back, critically examine the direction our society and organizations are going and make deliberate choices about their own participation or actions. Change and emancipation are only possible if individuals are able to see that they have options and that they alone own are responsible for their own spirituality (Held, 1980).

Many critics of the spirit-at-work movement claim that there is no room for new-age fads or religious dogma in the corporate world. Corporations are already too powerful to be affected by something as nebulous or unscientific as spirituality. Our fate is sealed. This fatalist attitude is one the most compelling arguments for

grounding spirit-at-work theory in critical theory. Even these arguments can be grounded in critical theory, particularly of the early Marx era. When viewed from the Marxist notion of alienation as an estrangement from the oneself based on class, the unconscious reality that today's employees are merely cogs in the wheel of the industrial machine comes to the surface.

The spirit-at-work movement helps working-class individuals to recognize that they can and do have the power of free will, even in the corporate world. If individuals do not take responsibility of their own destiny, then society's fate is doomed to be dominated by corporate greed. In a modern organizational context where industrial-based rationality is giving way to the information age, critical theory provides direction for domination-free societies and workplaces (Alvesson & Deetz, 1999) while Existentialism lends insight into how individual meaning and freedom of choice can emancipate individuals (J. P. Sartre, 1957b).

Why Now?

So why is this topic exploding now, at this point in our history? So why is the spirit-at-work topic exploding now, at this point in our history? The most obvious explanation is the transition from the industrial era to the information age and its subsequent radical change in the power base of society. Perhaps this paradigm shift from mass production to knowledge work has orchestrated the resurgence of the existential need for individual to be authentic and exhibit free will. As the information age progresses, the concentration of power is, as Marx foretold, changing hands from the corporate or government owner of financial or productive capital to the individual in possession of his or her own intellectual property (Hunter, 2005). The capitalist superstructure that was once based on science, ideology and technology of the

industrial era is no longer in as powerful or dominating a position as it once was when it had exclusive ownership of the capital.

Along with the paradigm shift from the industrial era to the information era, research suggests that the employee's search for greater meaning in work has been exacerbated by exponential technological advancement, massive restructuring of organizations and demographics (Ashmos & Duchon, 2000; Fairholm, 1996). At the turn of this millennium, the Gallup Poll indicated that more than three-quarters of the American population felt the need to experience spiritual growth (Garcia-Zamor, 2003). There appears to be a reaching out by humankind for meaningfulness and interconnectedness with what appears to be a fleeting, disposable life. "Between 1982 and 1993, four million jobs were eliminated by Fortune 500 firms. Such job cuts had a negative impact on both the employees that were laid off, but also on the employees that were left behind with the anxiety that the axe could swing again at any time (K. C. Cash, Gray, & Rood, 2000). The concept of career-long loyalty to an organization or an employee appears to be lost to the memory of generations gone before us.

Demographics and changing value systems are also at play as the bulk of the working population, the aging "baby boomers", move toward retirement. As the majority of the population reaches middle age, more people become introspective with regard to the job insecurity and the meaning of work, reassess their workaholic behavior of past decades, and more seriously contemplate life's meaning (J Conger, 1994). Some researchers claim that workers today are experiencing a lack of meaning in their daily work or a form of "existential sickness" that leads to "separation / alienation from oneself" (Naylor, Willimon, & Osterberg, 1996 p,42). The demand

for “leaner and meaner” organizations and the increased mechanization of work have, as Marcuse predicted, atomized people (Marcuse, 1964).

Throughout history, spirituality has been an integral part of human existence where rituals, symbols, and places of worship were part of everyday life. Nearly a century ago, theorists recognized that people needed a level of connectedness with the emotional and metaphysical aspects of organizational life (Durkheim, 1915). However, over the past few decades traditional support systems like places of worship, community neighborhoods, and extended families have declined in importance in society (J Conger, 1994). Either as part of the cause or as a result, people are spending more time at work (Conlin, 1999) and the workplace is replacing family, neighborhood, church and social groups (Fairholm, 1996). As work gradually becomes more important to society, people are reevaluating their opinions about it and redefining work to encompass satisfaction of their inner spiritual identity needs and personal fulfillment through their labor (Block, 1993; Jacobsen, 1995). In short, work values, particularly for the middle class, are shifting from “earning a living” to “creative expression and making a difference” (J Neal, 2000 p.1320).

But is this drive to inject spirit in the workplace a new phenomenon or it is the manifestation of an omnipresent and inherent need for individual expression through work? Interestingly, this inquiry is not new and we have been this way before. In a Fortune magazine article published in 1953 entitled, "Businessmen on Their Knees", interest in God and religion in the work environment was reported to be on the rise because of the increase in prayer book sales and prayer groups in the workplace. The article even asked the question that is on many minds today: “Is it [interest in God at work] a superficial, merely utilitarian movement, or is it a genuinely spiritual awakening?” (Gunther, 2001 p.59). It appears that the same mixture of skepticism

and hope we are now experiencing with regard to spirit-at-work was expressed fifty years ago. When we look into the literature and examine what else was going on at that time, it is interesting to note that existentialism was emerging as a popular philosophy and an “anecdote to the dullness and conformity of the Eisenhower years” (Solomon, 1981 p.IX). The spirit-at-work movement then and now is also somewhat reminiscent of the reaction that the critical theorists of the Frankfurt School and the Existentialists had to corporatism 1930s and 1940s.

Since the dawn of the twentieth century and the Scientific Management era, organizations have been preoccupied with efficiency and productivity (Burrell & Morgan, 1979). This functionalist mindset places more emphasis on profits than on individual human interests and does not differentiate between people and balance sheet assets (McGregor, 1966; Mills & Simmons, 1999). People are treated as commodities while rules and procedures dominate workers’ thought processes and inhibit creative thought (Marcuse, 1954).

Spirit-at-work as a Reaction to Corporate Domination and Control

In contrast to the political domination of mid 20th century Europe, western and post-colonial societies are now experiencing the scourge of corporate domination. Research over the past few decades has placed so much emphasis on organizational and situational factors that it has virtually excluded the individual and has reified the organization (Davis-Blake & Pfeffer, 1989; Lowe & Mills, 2004 in print). Some theorists claim that in the past few decades, the individual has virtually disappeared as a subject of study (Nord & Fox, 1996)

Some theorists propose that the spirit-at-work movement is “a reaction to the corporate greed of the 1980s” (Garcia-Zamor, 2003 p.355). Ever since an 1886 US Supreme Court decision ruled that corporations should be protected by the 14th

amendment's rights to due process and equal protection of the laws, organizations have been treated as persons. It is ironic that a constitutional law, originally written to protect field slaves, would provide more freedom for the enslaver (the corporation) than the slaves (employees) (Bakan, 2004).

Over the past century, the demand for leaner and meaner organizations and the increased mechanization of work have increased the complexity of systems and atomized or fragmented people (Argyris, 1970; Marcuse, 1964). Some researchers suggest that the feelings of alienation and distrust have escalated to the point that employees not only feel abused by their employers, but also by a society that condones this domination to continue (Ali & Falcone, 1995).

Some organizational leaders have realized that in order for workers to attach meaning to their work, they need to establish a sense of spiritual wellbeing in the workplace. Anne Roddick, founder and CEO of the Body Shop with over 1300 outlets in 46 countries, states, "Work is where a continuous sense of spiritual education can take place... Through compassionate service and caring with passion, people can feel connected and uplifted. I have found that people become motivated when you guide them to the source of their power." (Renesch & Defoore, 1997 p.112).

Even organizations that that are respected as functional and rational, are openly considering replacing systems comprised of rules and order with more spiritually centered practices involving meaning, purpose, and a sense of community (Fairholm, 1996). For example, organizations such as Tom's of Maine, Ben and Jerry's, Alcoholics Anonymous, World Bank, Medtronics and The Body Shop are hugely successful because they incorporate spiritual values into their corporate culture. The implication is that spiritual culture can create a synergy where both the organization and the individual are better off. By encouraging the spiritual education and growth

of the individual, the organization will reap the benefit of the individual's increased motivation and engagement in their work (Peters & Waterman, 1982). In short, organizations that adopt a humanistic culture that respects the body, mind and soul of employees are more likely to inspire employees to feel a sense of connection with their work which then becomes more meaningful to them. This meaning can then be translated into shared organizational meanings, which, in turn, will drive employee behavior toward the energized achievement of organizational goals (J Neal, 2000).

Conclusion

The problem is that those who seek answers to the problem of alienating work are often trapped between those who link alienation to religion (through the metaphor of spirituality at work) and those businesses leaders who construct their own corporate versions of work and well-being. On the one hand the answer lies in following the path of religious rightness. On the other hand, it depends on a vision of psychic wellness within the confines of existing structures of power and domination. In both cases the individual is moved further from the possibility of existential authenticity.

In reconstructed critical theory (Best & Kellner, 1991) and critical existentialism (i.e., Sartre's attempts to link existentialism with Historical Materialism) there is a potential for renewed theorizing on alienation and the workplace that moves us beyond the constraints of corporate psychological well-being and workplace spirituality, providing both a powerful argument for existential responsibility and a critique of power that serves to inhibit that potential for existential action.

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“An application of some ideas from postmodern theorising, or, ironing the crumpled handkerchief: a case study examining issues of social exclusion in XTown”

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An application of some ideas from postmodern theorising, or, ironing the crumpled handkerchief: a case study examining issues of social exclusion in XTown

Abstract

A significant element of some strands of postmodern analysis is that of play. (See, for example, the work of Diane-Marie Hoskin.) In this paper, we take an elegant metaphor and do just that. We begin an examination of the development of the interrelationships between the metaphor and one complex social reality – that of social exclusion in one local authority area in the south of England. In so doing, we give voice to the social location of a group of people who are marginalized by the usual channels of communications with local and central government in its various forms and we conclude with a contradictory message. Firstly that the Serres metaphor offers one way of understanding complex process but secondly attempting to use postmodernity to structure reality may be a form of intellectual impropriety.

Our ‘take’ on excess, then, our conference theme, is that paucity is judged by the political classes to be the consequences of excess and that the outcomes in social policy terms for Britain’s poor is that paucity is what they might expect as their lot. Needless to add, this is a view that is contested in a spirited way, as the observational empirical evidence in the paper indicates, by members of those very groups.

Introduction *

We seek to attempt to theorise social process and we present data developed from the role of sometimes participant observer and sometimes non-participant observer, of one of the authors. The empirical context is that of 'XTown,' a large community in the south of Britain. The specific empirical focus is that of the debate and the issues that surround social exclusion/social inclusion. At the level of theory, we begin from Kurt Lewin's (1948) sensible proposition that "there is nothing so practical as a good theory" and we go on to think about theoretical issues in organisation over the last decade and a half that we suggest give insight into the processes that we identify. Much of the theorising comes from within the postmodern (post-modern) position and we also write in response to the realisation that the pairing of postmodern theoretical orientations with the field of British local government studies is presently relatively novel.

We start the empirical dimension of our discussion by identifying the paradox that British local authorities are now encouraged by Her Majesty's Government to develop a carefully directed and so heavily focused approach to the needs of those who may be described as the socially excluded. This, we propose, stands in sharp contrast to the multiplicity of social and intellectual positions that we know that such people occupy, as a result of our work with such groups. In the theoretical dimension of our discussion we begin with the elegant image of the French social theorist and philosopher Michel Serres, to consider that paradox. He proposed (1995) that linear views of space and time miss the mark and that if we conceive of the nature of reality in terms of the kaleidoscope of random facets that comprise "the crumpled handkerchief" we will have a more tenable understanding. In the theoretical element of our discussion it is, of course, possible to consider the energies both in physics and in metaphysics that will suggest why some crumpled materials will attempt to revert to their original shape whilst others – perhaps with similar chemical compositions – will stay refabricated as well as a third group that will be difficult to crumple at all. However, such thinking belongs elsewhere than in this piece.

At the empirical level, we begin by identifying the origins of the term "social exclusion." Most recently, the term was invoked by the social policy of the French Socialist Governments of the 1980's, as outlined by Janie Percy-Smith (2000:1). As might be inferred from its Latinate construction, 'social exclusion' was originally a French term, which

"... was used to refer to a disparate group of people living on the margins of society and, in particular, without access to the system of social insurance".

The term was taken up by the European Union and subsumed in its key objective of achieving economic and social cohesion. Reducing social exclusion is enshrined in the Maastricht Treaty and European funding objectives. Britain's incoming Labour Government of 1997 was elected upon a manifesto that argued that the nation had "a poor record in adapting to social and economic change."

**The authors express gratitude to our friend and colleague Stuart Morgan of the Organisation Studies Research Group, University of East London for a presentation he made to the Twentieth Standing Conference on Organizational Symbolism in Budapest. Stuart's thoughts formed the germ of the idea for this discussion.*

In the Prime Minister's words at that time:

“The result was a sharp income inequality, a third of children growing up in poverty, a host of social problems such as homelessness and drug abuse, and divisions in society typified by deprived neighbourhoods that had become no-go areas for some, and no exit zones for others. All of us bore the cost of social breakdown.”

His ambitious plans included the establishment of the Social Exclusion Unit for England in the Cabinet Office, and:

“A big programme of change. Preventing exclusion where we can, re-integrating those who have become excluded, and investing in minimum standards for all. And we have worked in a new way, developing partnerships around common goals with the public services, communities and charities, businesses and church organisations that have been struggling with the courses and systems of poverty for so long.”

(Blair, A 2001)

Social Exclusion has been defined by the Social Exclusion Unit as

“a shorthand term for what can happen when individuals or areas suffer from a combination of linked problems, such as: unemployment, poor skills, low incomes, poor housing, high crime environments, bad health and family breakdown” and “an ability (of individuals) to participate effectively in economic, social, political and cultural life, alteration and distance from mainstream society”.

Duffy, K (1995)

While it is possible to argue that “social exclusion” is merely a euphemism for “poverty” and this provides the authorities with a fig leaf to hide behind, as Page remarks (2000:6), the term has a broader application and use:

“It focuses attention on the process through which people experience multiple disadvantage... this sidesteps much of the argument that has occurred in America about the courses of social disadvantage... it encourages the search for intervening in this process, and carries with it the inference that it is the majority, the mainstream, who are doing the excluding, and who therefore have some obligation to act. Crucially, it is a term that has no pejorative connotations.”

From Page's perspective, promoting social inclusion is essentially a pragmatic and practical activity, based on humanistic values, in stark contrast to the “divisive and vindictive” approach of such the American thinkers as Charles Murray (1996). Of course, the whole “underclass” debate has a long and distinguished history with potential starting points as long ago as Charles Booth's (1887) *tour de force* that examined in such detail the social profile of London at the turn of the nineteenth century or Seebohm Rowntree's (1941) equally

significant account of poverty in the English city of York . More recently, Andrew Pilkington's (1984) interesting study in underclass suggested a particular link between underclass membership and membership of the ethnic minorities.

Clearly such a concept as social exclusion is open to the objection that it has no pejorative connotations, because it has no connotations at all to most people, and that its purely pragmatic approach, while being useful for centrist politicians and public sector workers, merely provides small palliatives for the failings of the market and disempowers the excluded, as implied by Stephen Theake in his warning:

“Programmes... are almost unintelligible to local people. They are couched in impenetrable language. The guidance notes baffle civil servants and leave local people with a fear of failure. After years of neglect, communities have suddenly been pushed to the centre stage and told to perform. Communities that have struggled to get the local authority to undertake basic services are now told they are in charge. Individuals who struggle to make ends meet are expected to become board directors.”

(Theake, S 2002)

The tensions are evident at local level from the tensions in the agenda, between a dirigiste and managerialist approach and the concept of partnership with socially excluded groups on one hand and between the anti-poverty agenda and the broader issues covered by the term “social exclusion” on the other. This is highlighted by the ambiguity in the Regional Social Inclusion Statement (GOSE, June 2002), where we are told that “regional bodies have come forward to prepare this statement” but that “local communities must be involved” and that although the aim is “to reduce deprivation in the worst 119 wards”, a key principle is “not to overlook” the young, the elderly, the disabled and the ethnic minorities. We direct our thinking to this paradox and so further light might be shed upon such tensions and ambiguities by returning to the theoretical level of our discussion at this point. An important early element in this must be the attempt to establish some of the ground that may be characterised as postmodernism. Perhaps the first distinction is that between the former term and modernity and post-modernism. Here, we acknowledge our debt to Martin Parker (2000) who summarises as follows:

“To define postmodernity ... would appear to be a futile task. It is not one school of thought and ... many of its adherents refuse the language and logic of definitions in the first place. I shall ... simply try to indicate some of the concerns raised under the umbrella of postmodernism... Modernism can be characterised as a belief system which has elevated a faith in scientific reason to a level at which it becomes one with progress.” [It is a feature of the world of Europe and the Americas especially between the Enlightenment and the late twentieth century.]

So, Baudrillard (1994) is cited by Kreisher (2001:588) as observing:

“Our world appears to us as a synthetic and hyperreal collection of unrelated objects.”

We see clear insight into the propositions advanced above in connection with dislocation and disjunction and this Baudrillard observation.

Is it possible that postmodernism may be described and understood? The period in the history of western thought up to and including the industrial (and other) revolutions and then most of the twentieth century has become known as ‘modernity.’ Its defining feature was its reliance on scientificity and the assumed rationality of the human condition. One meaning of post-modernism, then, is simply ‘that which comes after modernity.’ Here, we may consider also ideas such as ‘post-capitalism,’ ‘post-fordism’ and many others that, in Parker’s (2000:43) words “provide a set of prescriptions for the organized world to survive in the post-modern era...achieving organizational competitiveness and efficiency.” Post-modernism is, *inter alia*, ontology – it offers one theory of what is. Postmodernism is quite different. It is rooted in the scholarly work of Foucault, Derrida, Lyotard and Baudrillard amongst others. It is epistemological, with a focus – if that itself is not an overstatement – around ‘how we can know the world’ in Parker’s phrase. He summarises helpfully here: “Since the world is seen as constituted by our shared language the answer is that we can only know it through the particular forms of discourse that our language creates.” (2000:43) We suggest that the lack of effective linguistic relations between the members of the governing groups and the socially excluded strongly echo this proposition.

Problematically and yet intriguingly, the scope of the enterprise is still huge. Pauline Marie Rosenau (1992:15) offers a helpful typology of forms of postmodernism. She identifies the categories ‘skeptical’ and ‘affirmative’ as organizing propositions and outlines the former as a “negative, gloomy assessment [of the present times, characterized by] fragmentation, disintegration, malaise, meaninglessness a vagueness or even absence of moral parameters and societal chaos.” Play, then, is all that is left in terms of the possibilities that may exist for social intercourse. Affirmative postmodernism is less saturnine and more of a feature of Anglo-American work than European. The possibility of resistance emerges from within this strand of thought and so political action is also possible. Rosenau (1992:134-5) cites Kariel: “We [postmodernists] strive for no extrinsic objectives. Not seeking to be anywhere else, we act without ulterior motives. Play suffices; it is intrinsically satisfying.”

If the social world is adequately characterized by such theorizing then it must doom to failure attempts to manipulate it that do not follow such precepts; if Serres handkerchief is perceived as flat when it is indeed crumpled then the modernist philosophy of science having the answers for all the problems cannot succeed; the very concept of ‘progress’ is of course questionable within the postmodern position. How have these issues been translated into real events within XTown and how have the tensions been manifested?

Managing Social initiatives in XTown

The Social Inclusion/Exclusion agenda reached XTown in 2001 with the appointments of a new Chief Executive and a new Leader of the Council, and coincided with the start of the new Local Government Structure of leader and cabinet. This ensured the promotion of the issues. A highly committed Cabinet Member for Social Inclusion and Community Safety was appointed, a policy approved and a small Social Inclusion Unit (“Inclusion” was considered to send a more positive message than “Exclusion”) established in the Chief Executive’s Department. The unit began its work in June 2001, and a Social Inclusion Strategy and two year plan of action was approved in October 2001 following extensive consultations with a wide variety of constituencies.

The strategy identified five major areas for action in its two year plan, poverty / deprivation issues, mobility/disability issues, the rural dimension, hard to reach groups (mainly ethnic minorities, asylum seekers and refugee communities, travellers and gypsies) and aspects of the Council's own policies and practices. (XTown's Social Inclusion Strategy, October 2001). Subsequently Government Office for the South East (GOSE) produced the Regional Social Inclusion Statement (June 2002:4-5), with the aim:

“To reduce the gap between the 119 most deprived wards and the rest of the region by 10% by 2010, through “better working” and the “involvement of local communities”. Great stress is laid on the role of the new Local Strategic Partnerships and other regeneration partnerships to ensure “strong community involvements – as decision makers, effective private sector involvement, clear vision for the future, clear objectives and a commitment to working in partnership.”

How is partnership working in practice? Is Social Inclusion in the words of GOSE, “getting better”?

2.1 A modernist view of the reality

- A shared view of consultation?

To work for the local authority is to work for a highly structured, graded system where levels of authority are all important. For historical reasons, and for reasons of democratic accountability, a culture of “permission to act” is pervasive, and the organisation is highly process-driven. To work for the Borough Council is to be in a second of three tiers of local Government, County Council, District and Parish Councils each having separate powers, responsibilities and elected members. Few people outside of local Government understand its processes or divisions of responsibility. Interestingly, as a result, the Cabinet member has taken his Cabinet Member Meetings into community settings such as community halls in deprived, or isolated areas, and held Open Forums to discuss issues relating to community safety and social inclusion with residents. These have been welcomed by both the residents and local Councillors. During consultations in the community of responsibility, it has often been necessary to explain processes / divisions to sometimes bewildered ‘consultees.’ It is therefore understandable if in other contexts consultation became part of a “tick list” for a Council Officer, in order for the ‘consultee’ to push through what he/she “knows” the community really want/need, or would want/need had they the knowledge to choose. Such helplessness on the part of the public usually goes side-by-side with an absence of effective community organisations, though the stresses and strains caused by effective ones should not be forgotten. One of the most deprived wards in XTown (one of the 119 in the region) is served by a developing Healthy Living Centre and a Community Development Worker, who has developed a range of active residents’ groups, following the Strategic Framework for Community Development advice:

“Community Development is about building active and sustainable communities based on social justice and mutual respect. It is about changing power structures to remove the

barriers that prevent people from participating in the issues that affect their lives... community capacity building supports individuals, groups and organisations to enable them to play a part in the regeneration of communities. It is about building skills and competencies... participation should enable people to have a degree of power and control in the processes with which they are involved.”

Our association with this part of XTown suggests to us that the worker is perceived by residents on the estate to be their champion. However, her role has not been fully understood throughout the Council and when residents have challenged some authority approaches and decisions, she has been accused by some of “putting them up to it” or concocting the questions as such residents could not have been able to do such a thing. She has also found the approach of the Council to her residents’ groups, at times, contradictory but well meaning. These two approaches can be classified as *dirigiste* and managerialist, or participative and facilitating. In one example, over the rent on the Healthy Living Centre, one department has demanded payment, while another has offered it. One department has funded an IT Cyber Café in a local school, while the Healthy Living Centre’s target is to develop one in its centre in the Shopping Parade, also supported, they hope, by another department.

Such issues reflect the divergence of approach that cuts through a large organisation. Sometimes the results are surprising, as when, for example, a local Councillor is challenged by a resident as being the source of the anti-social behaviour which he has called a meeting to discuss, or when residents tell Senior Managers in public they have got it wrong. The two Council cultures meet head on when funding issues are raised. A Community Development Worker post in another of the most deprived estates, led by the Cabinet Member and relevant officer, has gained funding from the Children’s Fund, the Police / Council Safer XTown Action Group, three local churches and a Housing Association. It has the backing and support of the Residents’ Associations and the Multi-Agency Partnership Group on the estate, which the Council plays an active part in. However, the Housing Department will not agree to provide any financial support at all, on the grounds that there is nothing in it for the tenants. Part of the Council may not subscribe to the values of the Strategic Framework, or may feel threatened by the idea of residents who challenge their authority.

- A Shared Model for Community Development?

It would be true to say that the Council has limited experience of the practice of Community Development, though the political (Cabinet) drive is there. There is conflict between the concepts of “social engineering from above”, “capacity building from below” and the option of inertia/withdrawal from the role.

Social engineering from above on estates in XTown is largely driven by issues relating to community safety and the local crime reduction partnerships as well as by efficiency requirements. Who do you want on the estate and how do you want them to behave? Page’s research in Communities in the Balance (Joseph Rowntree 2000:103-4) identifies “A number of significance shapers of social exclusion on housing estates... growing income inequality, spatial polarisation,

poor quality public services, the collapse of local economies, the absence of work, and pervasive estate culture.”

Page (2000) continues “improved service to estates must be seen as the key issue, regardless of the means of delivery.” For this Council’s service departments it means the priority is action from above. While such an approach has had impressive results with such issues as abandoned cars (a scheme now used as a national model) it has had more limited effects with estate culture. At meetings with residents in deprived estates, the fear of crime and the sense of abandonment by the state authorities are still strong, whatever statistics were cited from the platform. At one meeting the Community Police Officer was shouted down when he attempted to explain, correctly, that the reported crime levels on the estate were insufficient to trigger a CCTV system. The Cabinet Member for Social Inclusion and various officers took steps to help set up a residents’ organisation for themselves. Approaches to economic regeneration, described as strategic, may also fall victim to the need for quick results and attempts to “socially engineer”, as mentioned earlier. We press our view that, at the level of theory, the meta-narrative has nothing to offer such *impasses* and that these complexities may best be understood through the kaleidoscopic filter of postmodernism.

Mike Geddes (2002) has produced a change model for Social Exclusion that stresses community engagement, partnership working and organisational and cultural change as drivers. However, words such as “engagement” and “partnerships” are open to considerable interpretation and so present simultaneously both as part of the discourse of modernity and one set of the facets of Serres handkerchief. From within the modernist logic we ask who should lead the “partnership”, how should it be led, and what sort of engagement should there be? So, at one community meeting, where hard-to-reach groups were described as such, a minority response was that there was only one hard-to-reach group, and that encompassed the Police and the Council. More than anything, we propose that these different and indeed contested conceptions of the nature of reality illustrate the multi-faceted nature of Serres’ ‘crumpled handkerchief.’ Hence, the difficulties of forcing the pace by top-down initiatives may be illustrated by the fate of ‘A Ward’ Quality of Life Forum (‘AQLF’), this is an organisation set up and funded by the County and Borough Councils to help the residents of A ward to improve their quality of life. This initiative was physically situated in a house on a particularly troublesome street of a deprived estate. Residents have been reluctant to enter the house in case they were perceived as informers on their neighbours, so AQLF has struggled to make an impact.

We propose that when ‘Quality’ becomes merely ‘kwalitee’ - the managerialist thrust to impose control in the name of improved standards (as judged by some or other set of quantitative but spurious measures) - then such outcomes as this are inevitable. Where residents have themselves taken the initiative, however, outcomes have been different. Information and Communications Technology courses, requested by residents, have been run at the House with the help of a local further education college, and despite the threat of funding withdrawal, they continue to thrive and residents continue to progress to college, albeit including residents from other estates who have seized these opportunities more quickly.

We also point here to the apparent coincidence of the play motif in the learner orientation to the acquisition of ICT skills and the our earlier citation of Rosenau's (1992) work

The AQLF Administrators and XTown MIND decided to initiate Mental Health Support sessions. Despite extensive publicity, nobody turned up. When, however, two residents came up with the same idea and led on the same initiative, using the same people in the same place, supported by AQLF, the Mental Health Support sessions were well attended. The residents themselves then, at play in the postmodern sense, seem to have settled these matters in a way that has most meaning for them. AQLF are now remodelling their role in the light of this experience and the Strategic Framework advice.

This may also support the validity of Geddes' model at a micro-level. However, how far this approach, which is slower and requires long-term commitment, is compatible with a centralising, accelerating Government agenda is open to debate. The Regional Social Inclusion Statement, in its section on community development identifies the Regional Development Agency of the Yorkshire and Humber Region as an example of good practice, with 12 benchmarks to assess the effectiveness of community participation. These benchmarks, however useful in terms of process, do not assess quality of outcome over a lengthy period "on the ground". The section gives a strong leadership role to the Local Strategic Partnership (LSP) and its ability to gain resources, which the LSP will then allocate to "communities in priority neighbourhoods" (2002:16). Leaving aside for the moment whether LSP's in "non-priority" areas are to have funding, and how they can lead when others are already working on the ground, shared understanding of how community development works and of desired outcomes needs to be in place both at local (sub-regional) and regional level, if this is to work. Certainly the draft Regional Social Inclusion Statement Action Plan (unpublished, June 2002) signed up to by GOSE, SEEDA, The South East England Regional Assembly and RAISE (Regional Action and Involvement South East), is short on addressing both issues.

- Social Inclusion or Economic Regeneration?

The Government's agenda is focused on deprivation, which is reflected in the Region's Social Inclusion Statement as we have seen. This has been a particular issue with XTown's Council where deprivation exists in pockets on estates and also at sub-ward level, which is unacknowledged by the published indicators. Funding for reducing deprivation is not easy to get as a result, leading to the comment made by one local community worker that it is much harder to be poor in XTown [where there are considerable gaps between the wealthiest and the least wealthy people in the town] than in some parts of the surrounding rural county where there is less diversity in incomes. The fragmented nature of deprivation here was led to local solutions, for example, instead of developing a Credit Union for XTown to combat financial exclusion, the town is developing a Savings & Loans Partnership Scheme with a local Building Society, the Council and the Community Development Workers (amongst others), as there are doubts as to whether a "critical mass" could be reached to establish a local Credit Union.

The broader agenda of social inclusion seems important to XTown, the interpretation of its ethnic minority population, disability issues and rural exclusion are part of Borough-wide concerns to address in its Social Inclusion Strategy. These issues are not primarily poverty or deprivation related. Disability affects all sectors of population, poor services in the countryside (outlined in the Countryside Commissioner's Report on Exclusion in the Countryside) affect entire communities – albeit disproportionately to those without transport, and in the case of XTown, the black and ethnic minority population are for the most part businessmen/women and public sector workers.

Dealing with disability issues has been relatively straightforward in that there are statutory duties imposed on Councils (resulting from the Disability Discrimination Act, there is understandably considerable sympathy for, if not always understanding of people with disabilities, and there is a consensus that improving the lot of disabled people in the Borough is a key aim. However, the assertiveness of lobby groups for particular disabled groups has proved problematic in the past to part of the Council. Disabled people are as articulate and as well educated as anybody else. In the past, disability issues were dealt with by a Disabled Advisory Group, a Committee with some political representation on it, and, surprisingly, an adversarial relationship with the Council. While attractive to those on the Committee and the lobby groups associated with it, the Committee was unattractive to disabled groups who were unrepresented on it and to Council Officers, one of whom referred to it as a “star chamber to dread”. The Committee was little more than “a talking shop” in the words of one of its elected members.

Currently, with local Government reorganisation there has been set up a Mobility Focus Group under the Cabinet Member, where a cross-section of mobility organisations in the Borough is able to see the agenda, and so far has been instrumental in organising a Conference for Local Businesses on the Disability Discrimination Act (DDA), and an Access Guide to the Town Centre for Disabled People with active help and sponsorship from local school sixth forms, a local newspaper group, a building society and the Chamber of Commerce & Industry, as well as disability awareness training in schools by disabled people. This pragmatic and practical approach fits well with the approach encouraged by the humanistic social inclusion agenda described by Page. It has worked in this instance by accepting that the Council should have a unified approach and lead by setting up structures to enable relevant groups to articulate, express and participate in joint action. Some disabled people regret, however, that the high drama and ideological conflict has disappeared, as arguments deal with the pragmatics of “how” rather than “why” and compromises are made.

It is interesting to note that the Regional Social Inclusion Statement includes little on disability issues, through the percentage of disabled people in the local population is likely to exceed the percentage of those on income support. Both politically and in terms of purchasing power of affected groups, it is clear that in the South East, the disability agenda will have a higher profile than that anticipated in the Regional Statement.

While issues relating to ethnic minorities would not seem to be central to a Borough where 97% of the population are not from an ethnic minority, this would

be an incorrect assumption. The research report Racism in the Rural Idyll should be enough to dispel complacency. It is a worrying feature that while many in the community appear well disposed to ethnic minority residents (perhaps because they form part of the middle-class backbone to the NHS and local businesses), there is considerable hostility as a “frontier” county to asylum seekers and refugees, although there are only approximately 250 in the Borough (population Ψ 126,000). The President of the local Mosque, however, has remarked in a private conversation to one author (in November 2002) how safe ethnic minorities feel in XTown and the number of racial incidents reported to the Police remains low and in decline. It is a paradox that the council’s wish to be supportive of its Muslim population, both to celebrate diversity and following the events of 11th September 2001, is met with a wish by the Muslim Community to be supported only in a low key way. The emphasis in the Regional Social Inclusion Statement on high level profiling of minority groups and on neighbourhood renewal funding (not applicable to XTown), may need changing.

Significantly, there is no mention in it at all of asylum seekers and of gypsies/travellers, two unpopular groups who are likely to be poor and in need of “regeneration”. It is, perhaps, salutary to note that one extremely well-attended community meeting in a rural parish was the victim of a hoax when an anonymous member of the public posted notices to say that an asylum seekers’ camp was to be built in their village. It is quite likely that the high attendance was connected to the hoax. At another, the Council was falsely accused of favouring gypsies in the planning process. A local paper reported the events using the expression, “suffering from gypsies”, as if they were a disease, instead of labour for local farmers who are amongst the key players in the countryside beyond XTown. The Council clearly has a leading, if delicate, role to play and its statutory Race Equality Scheme has been based on minority community readers’ wishes, tempered with what is politically acceptable. “Social inclusion” is an uneasy bedmate both of “Community Safety” and “economic regeneration”, and simply following the funding or national/regional directives will not result in the broad social inclusion agenda being dealt with at local level.

- Is Social Inclusion “getting better”?

Social inclusion is also an aspirational term, and even in the context of deprivation is relative. The Regional Social Inclusion Statement refers to “reducing the gap” between the 119 most deprived wards and the rest of the region by 10% by the year 2010, and performance indicators have been set both nationally under the Best Value regime, and locally. To the extent that the targets are met and indicators show achievement, then “social inclusion” could be said to be “getting better”. The conclusion to be drawn from this paper is that in the long run, achievements will only be sustainable if the appropriate model for community developments both developed and practised.

A postmodernist view of ‘the reality’

This is the most tentative part of our discussion - to some extent such thoughts have already been formulated by inference and, limitedly, in outline, throughout our discussion. For example, Baudrillard’s perception of the social world as a

“synthetic and hyperreal collection of unrelated objects.” (ibid.) is a saturnine but compelling thought about how to approach social differences. The trap of modernism closes over us as we propose that there may be utility in the Serres abstraction with which we titled this essay. Its jaws grip ever tighter as we suggest that awareness of the complexities and subtleties that are inherent in all the possible definitions of the situations that are within the purview of all the players concerned is simply the first step amongst the multi-facets of the Serres ‘structure.’

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The figure of the “Hero manager” in management books: a structuralist approach.¹

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Tuvo muchas veces competencia con el cura de su lugar (que era hombre docto graduado en Sigüenza), sobre cuál había sido mejor caballero, Palmerín de Inglaterra o Amadís de Gaula; mas maese Nicolás, barbero del mismo pueblo, decía que ninguno llegaba al caballero del Febo, y que si alguno se le podía comparar, era don Galaor, hermano de Amadís de Gaula, porque tenía muy acomodada condición para todo; que no era caballero melindroso, ni tan llorón como su hermano, y que en lo de la valentía no le iba en zaga.

MIGUEL DE CERVANTES

Introduction: management texts and literature.

My humble contribution to this *Gargantuan management vs. Quixotic management* workshop is a reflection on these heroes of the organization, who appear in best-selling management books. We all know these books, especially those committed to the study of organization theory: whilst they are maybe not the texts used by the alumni of mainstream organization theory, they inspire the content of such. On the other hand, they are widely consumed by executives, white-collar workers and many other people,

¹ This paper is part of a wider investigation financed by the Ministry of Education in Spain, and included under the reference SEC2002-03672.

some of them even reaching the category of best-sellers. We can find any of these best-sellers easily at every book shop or airport, under the label “business” or “management”. Jack Welch, Bill Gates, Harold Geneen, Lee Iacocca or Sir Alex Harvey-Jones (alias *Troubleshooter*) are some of the most famous examples: common or not so-common people who have achieved great success doing business. They are the heroes of capitalism. Unlike Quixote, these hero-managers never fail. They are never defeated by circumstances, challenges or windmills. Thus they seem closer to those mystical heroes (such as Amadis de Gaula, Tirant Lo Blanc and other medieval knights) whose stories made Don Quixote crazy, rather than the immortal character of Miguel de Cervantes. Hero-managers present themselves as the model to follow for every wannabe manager, and their breaking success as best-selling books is amazing. Stories about the challenges involved in managing a company, excitement, commitment, solving problems and, in the end, the achievement of a huge success. They have been successful, they have earned millions of dollars/pounds/euros and they are a model for the young ambitious managers and entrepreneurs. But this figure of the hero-manager does not just appear in these autobiographies. It is basically omnipresent in most of the non-critical managerial texts (most of the managerial texts), at different levels. It is a core element in the managerial discourse.

Management discourses are discourses about managing an organization, and have become increasingly important during the last decades. These managerial discourses are spread in various ways, since they are the mainstream discourse in MBA courses, business schools, and workplaces such as consultancies, etc. One of the most interesting types of managerial discourse is, obviously, the case of these best-selling business text², that all of us recognize easily. There are several kinds of them, according to the classic work of Huczynski (1993): academic works, consultancy reports, and autobiographies of prestigious managers and company directors, among others. It is very common that, in all of these works, most of the theory is based upon practical work made by these managers. For instance, Lee Iacocca’s autobiography explains the actions of the famous manager: how he creates the Mustang model for Ford, how he’s unfairly fired from

² We can think of authors like Peter Drucker (2001), Tom Peters (1992) or Rosabeth Moss Kanter (2001). There are about 5,000 different books a year published just in the British market, according to Collins (2000).

Ford and how, like the phoenix rising from the ashes, he is resurrected by bringing about a spectacular turnaround in Chrysler's damaged economic results (Iacocca and Novak, 1986). We may laugh at these arguments, but this emphasis on success seems to be very well received by many people. I am talking about books who sell millions of copies just in the United States and whose popularity is increasing strong in Europe. We just see them filling the shelves of every Waterstone's business section and, though there has been some interest in them, there are not many critical studies on this literature (although there are some exceptions, which incorporate different degrees of criticism (Huczynski, 1993; Micklethwait and Woolridge, 1997; Collins, 2000; Clark and Fincham, 2002).

The aim of this paper is to describe and analyse the way this figure of the hero-manager is presented in these best-selling books. To do that, I will try to approach the business books phenomenon through a methodology very close to literary studies, but without completely eschewing the sociological approach. It should not be forgotten that this literature reflects a certain social situation: these management texts are basically one of the manifestations of the entrepreneurial discourse which has been hegemonic during these last decades, and which is linked to a certain way of organizing labour in a capitalist society.

An structuralist approach to management tales: Propp and the folktale.

The approach I will follow may be considered as structuralist, and rests upon these two basic ideas:

- In the first place, these books are basically...books. They have a plot, actors, actions, descriptions. If we are speaking of managerial literature then this might easily be conceived as, basically, a specific kind of literature. So, a research method linked to literary studies is possible to be applied. It's all about stories: for Iacocca, his book is just a story about a kid who made out fine in the end because of the simple values he learned from his parents and teachers, and the good luck of living in America (Iacocca and Novak, 1986).

- What kind of literature are we speaking of? Well, once we read a good number of these books, it is easy to recognize that certain characteristics are repeated constantly. These books are about innovative ways of managing, the main characters are managers, managing is presented as something interesting, challenging or exciting, the style of writing has a strong normative tone, etc. Thus we find very distinctive themes in this literature. Whilst there are variations, all of them show up important regularities. We can say that there is a specific genre of managerial literature, or, as the semiologist Tzvetan Todorov would say, these texts have some specific principles which link them to a particular literary field (Todorov, 1991). A genre permits the researcher to taxonomize the texts so that he can choose a corpus that can be analyzed. Whereas we can talk about a genre of detective novels, or a romantic genre, we can also speak about a managerial genre. Analysis of literary texts is being used as a model for another type of text, whereas literary studies are becoming more integrated into the field of discourse analysis.

Thus, we have identified a literary quality in these texts: they are basically a specific genre of discourse and, as such, can be analyzed through a discourse analysis methodology. There are many ways of approaching the analysis of these texts: the critical discourse analysis proposed by Norman Fairclough or Teun A. Van Dijk is one of the most interesting examples (Van Dijk, 2003; Fairclough, 2003). In fact, Fairclough has even analysed a managerial text (with Ève Chiappello), the best selling Rosabeth Moss Kanter's *Evolve!* (Chiappello and Fairclough, 2002). Nevertheless, I propose a different approach, which does not rely so much on semiotics. Isn't a genre a question of regularities? Isn't it a matter of specific discourse structures? Therefore, my proposal is to try to use a methodology that, in approaching a specific genre, can give us the way its sense is elaborated. I am obviously speaking of a structuralist methodology.

During the late fifties and sixties structuralism was dominant in European philosophy. Structuralism puts language (and therefore, discourse) at the centre of social research, introducing concepts such as signs by way of accessing knowledge of reality, systems and rules, and notions such as signifier and signified or synchrony and diachrony. But the most relevant focus is, probably, on structure: that is where it gets its name. Structure

suggests totality, interdependence, and system: it's dynamic and self-regulative. Text is considered by structuralism as an autonomous and closed unity, a fixed structure whose elements vary. From linguistics the structural model spread through other disciplines with the works of well-known contributors such as Lévi-Strauss (1968), who suggested linguistics as a model for all social sciences. Structuralism is basically concerned with the main lines that organize discourses. Lévi-Strauss himself was heavily inspired by the classic work that Vladimir Propp developed in his *Morphology of the Russian folktale*. Propp was a Russian philologist who extended the Russian Formalist approach by studying the Russian tales included in the famous Afanassiev corpus and developed a new field in literature: narratology (the study of narrative structure). Thus, where sentence structures had been broken down into analysable elements - called morphemes - Propp used this method by analogy to analyse folk tales. Propp departs from an essential point: there is a two-fold quality of every tale: the amazing multiformity of these texts and, at the same time, the striking uniformity in them. Repetitions seem to show a surprising similarity between folktales. His aim is to discover the basic laws that rule their structure, that is, the pattern that allegedly underlies the folkloric text. By breaking down these folk tales into their smallest narrative units – narratemes - he was able to arrive at a typology of narrative structures. From this corpus of popular Russian folktales (*marvellous* folktales), Propp finds out that all of them present repetitions which can be reduced to limited combinations of functions (he finds exactly thirty-one functions or generic narratemes) and roles (exactly seven *dramatis personae*, using the author's expression).

Propp understands functions as an act of the character, defined from the point of view of its significance for the course of the action. Function is nothing but a name that expresses an action, whilst understanding that an action cannot be defined apart from its place in the course of the action. According to Propp, "*functions of characters serve as stable, constant elements in a tale, independent of how and by whom they are fulfilled. They constitute the fundamental components of the tale*" (Propp, 1971: 21). The number of those functions is limited, and they organize the sequence of events. As these events are the actions that I have mentioned already, we can speak of a sequence of actions. These actions follow a chronological order, and the sequence of functions is always

identical. Therefore, a narrative can be reduced to a pattern, and all narratives choose from a repertoire of events and present them in roughly the same order. While not all are present, he found that all the tales he analysed displayed the functions in an unvarying sequence.

Thus, a tale would begin with some sort of initial situation. A typical one is that one of the members of a family absents himself from home. From that point of departure, other functions follow. For instance, an interdiction is addressed to the hero, and that interdiction is violated; the donor tests the hero; the hero acquires the use of a magical agent; the initial misfortune is liquidated at the end of the tale; the villain is punished, etc. (Propp, 1971). Many functions logically join together into certain spheres, which correspond to their respective performers. Thus we can speak of spheres of action, which may be distributed in three different ways: the sphere which corresponds exactly to a character; the character involved in several spheres of action; or the single sphere of action which is distributed among several characters. There are just seven characters or *dramatis personae*: the hero, the villain, the donor, the helper, the princess, the dispatcher and the false hero.

Propp's analysis gives an idea of the way in which stories are combined, developing a scheme. This methodology fits very well with literary genres which are characterized by a certain uniformity. This is the case of detective novels, popular folktales, self-help books, horoscopes, etc. Regularities in these best-selling business books are quite notorious as well, so this structural methodology can give interesting results.

This does not mean that these discourses remain stable. Managerial discourses have changed a lot throughout the years. During the post-World War period, the focus on these discourses was mainly on instrumental rationality, understood in the way Weber and F. W. Taylor did (Weber, 1968; Taylor, 1967). Bureaucratic capitalism relied on the strength of big corporations, on the New Industrial State (Galbraith, 1972). Those organizations were hierarchical and based on high doses of authority, following the panoptical model described by Foucault (Foucault, 1979), and meant the solution to the problem of a free market that needed to be regulated in order to avoid crises. However,

since the late sixties there has been a shift, mainly due to several factors such as the development of markets with new competitors, the transition from an industrial economy to an economy based on services, and a progressive contestation from wide social groups of this form of bureaucratic capitalism (about all these facts, see Castells, 2000; Piore and Sabel, 1984; Harvey, 1989). In the management narratives, the main topic starts to be Change. Change is essential to avoid future shock, the shifts in the new age of discontinuity (see Toffler, 1971; Drucker, 1969). The bureaucratic model is progressively replaced by new forms of organization based on flexibility and adaptation, and focused on the idea of “Customer as king”. Markets are not controlled anymore. In the most recent discourses, the emphasis is placed upon knowledge, networks, entrepreneurialism, adaptation and commitment to a culture³. So, there has been an historical transition from a stable keynesian model to a sort of fuzzy world, a disorganized capitalism, a liquid modernity where the rules of the rational model do not seem to work anymore (Lash and Urry, 1987, 1994; Offe, 1985; Bauman, 2003).

Nevertheless, in spite of these transformations managerial texts always present reality as if there were no history at all. Since the end of the nineteenth century, managerial literature has tried not just to influence the way firms should be managed, but to also spread the message that working for a firm is something good: they have implicit (well, very explicit) moral values. Every text gives us the clues as to the newest managerial technique and they “sell” their new theory using examples of successful businessmen. It is surprising the way these case studies are so similar. All the texts are basically variations of the same plot, just like in the Russian folktales studied by Propp. Thus, it seems that Propp’s analysis would be an interesting theoretical framework for the analysis of these case studies.

The figure of the Hero-Manager in management texts.

What is a Hero-Manager? As I mentioned before, Andrezej Huczinsky distinguishes in his work on management gurus three categories of gurus: academics, consultants and

³ Gilles Deleuze describes this shift as the transition from a panoptical model of discipline in society to a

hero-managers (Huczynski, 1993). Hero-managers can make not such claim to specialist training or education. They are experienced managers, survivors. According to Collins, whilst academic and consultant gurus are highly trained, extraordinary individuals doing extraordinary things, hero-managers are basically ordinary individuals doing extraordinary things. That is where their authority comes from (Collins, 2000: 7).

Nevertheless, hero-managers appear, in a subtle way, also in both academic and consultant gurus' books. They are present in the cases they show, as their stories are quite appealing to the readers and it is easy to explain the excellence of the new managerial technique through examples.

The figure of the Hero-Manager is recognizable in all of the texts. I will give a few examples of these narratives from different authors and periods. In the first decades of the century Dale Carnegie's books sold millions of copies, and not just his. In the fifties and sixties, the age of the great corporation, these models start to appear again. On the one hand, we have autobiographies like the one written by Alfred Sloan, which is a clear example of hero-manager. As soon as different theories start to appear trying to fix the problems of Taylorism, these figures of hero-managers are examples to follow. For instance, in the classic text by Douglas McGregor *The human side of the enterprise* he describes how a manager who put into practice the Theory Y achieved fantastic results (McGregor, 1960). He motivated people and had a fluid dialogue with very rough trade unionists. The results are described in this way:

Within the two years the whole relationship had become a different one as a result of this change in managerial strategy. Every one with whom I talked insisted that there had been no other changed conditions which could explain what had happened. The former union leadership had been replaced by a group of highly respected, able individuals, grievances were down to a normal level, bargaining had been conducted in good faith and in an atmosphere of reasonableness, wildcat strikes had dropped to zero (McGregor, 1960: 143).

The typical case study departs from an initial situation: there is a problem in the enterprise. Usually there are bad financial results, a lack of motivation among the employees, strikes or threats from the trade unions, and so on and so forth. Then arrives one manager or director who brings a “magical object”, that is, a new managerial tool such as the Theory Y. Then, everything changes for better: in McGregor’s example, the social conflict inside the enterprise simply vanishes.

Obviously, old ways of managing - some of them very popular, like the famous Management by Objectives (MBO) - relied also on the way managers put these tools into practice. Thus, using MBO would mean that a manager could become a hero-manager as the results were, in some sense, guaranteed. Let’s look to this example, courtesy of John Humble’s book on *Management by objectives*:

Thus at Fine Fare MBO started with a fundamental review of corporate strategy and the establishment of primary objectives; these were expressed through an improved organisation structure with the *involvement and development of all the managers*. Incidentally, Mr. Gulliver reported recently that this work had in four years increased Fine Fare sales from £75m. to £147 m.; reversed “no profits” into £4.75m. profits; changed the return on capital invested from nil to 31 per cent, and developed a management team with the will to continue this total strategy through the 70s (Humble, 1975: 11-12).

Sales are doubled, some profits are earned. Mr. Gulliver faces a tough task but he achieves success through MBO. I can give another example in the same book:

Colt International Ltd is a privately-owned company employing 1,000 people in Britain, Holland, Belgium and Germany; it introduced MBO in 1966. Significant benefits followed, including a streamlined organisation structure, better delegation, a long-range business plan and financial benefits of over £100,000 per annum (Humble, 1975: 24).

The introduction of MBO in Colt International Ltd meant success again: benefits, better structure, delegation, long-range business plan, etc. We again find the same pattern: company with problems, new managerial tool, some director brings it in, the firm

improves brilliantly. MBO is useful for managers because successful managers have used it and have achieved great results. This means that, if you follow this example, you - dear manager - facing problems will achieve success as well.

These examples are based on managers who basically become hero-managers using a powerful tool such as the Managerial Grid, Management by Objectives or the Theory Y. Thus the technique is still more important than the personality or the characteristics of the manager. It is true that some aptitudes and attitudes are presumed. But we still find someone who is, more or less, committed to certain rules. In the eighties there is a shift. Now managers basically are not so much concerned with a technique, but with values, with a vision. It is the golden age of entrepreneurship, and the emphasis on the individual is enormous. This means that even if technique is still very important in management, with a great competition between managerial fads (TQM, Reengineering, Emotional Intelligence), the individual figure of the Manager becomes crucial. We can find an artist manager who is showing us the path to follow. Therefore, in the work of most of the management gurus we read about the Change Masters, the One-Minute Managers or the new revolutionaries of business. Now we find people able to achieve the impossible because they have vision, charisma, they are committed to their values, etc. Tom Peters' work is a clear example of this. In his magnum opus *Liberation management* Peters gives us a few examples of how these hero-managers are able to achieve the impossible (Peters, 1992). One example is UPRR's director Mike Walsh:

Mike Walsh comes from a modest job at Cummins Engine to the chairmanship of the Union Pacific Railroad. He lays off 10,000 people, yet the unions admire him, old-line managers change their ways, 100 years' worth of bureaucratic excess is erased in 5 years. The "trick": trust and respect. [...]. Claiming that most fellow CEOs "badly underestimate" the amount of change the work force can handle, Walsh turns over responsibility to the front line almost overnight –and opens the book to everyone. One long-time railroader, now a UPRR exec, says: "We're letting people do what they wanted to do, and were capable of doing, all along" (Peters, 1992: 460).

This story, whilst short, is very representative of how the hero-manager behaves. Some new elements are introduced in this story. For instance, Mike Walsh has a humble

background, he is a common person, just like anybody else. He is successful when he achieves the chairmanship, but there is a great challenge in accepting this job, as UPRR's market situation is pretty bad. He takes decisions, and there is a huge turnaround. The results are amazing, and an executive from the company confirms it. He was also a modest employee and now he has become executive himself. Another company blessed by the presence of a hero-manager is Preston:

He offers up the miracle cure to management and workers: trust and respect. Paul Sims, a low-level department manager at the time, is appalled. But wanting to stay employed, he tries. Worker response to a tad of respect, trust, and open books overwhelms him – in a matter of *days*. A little over a decade later, Preston is productive, profitable – and judged by outsiders to be “one of the 100 best companies in America to work for” (Peters, 1992: 460).

The company has become productive due to the effort of another hero-manager. Paul Sims, the worker who wants to stay employed, offers us an example of how a worker should behave under these circumstances of change, committing himself to the tasks to a higher degree than before. Peters gives several examples of the way people should act, in this new liberation management. Managers must manage with vision and charisma; workers must commit to their jobs; executives around the hero-manager confirm that these stories are true. There are more examples. Titeflex's Jon Simpson is probably one of the clearest examples of how a hero-manager behaves:

Jon Simpson arrives at the limping hose maker Titeflex. Customers are screaming. He unplugs the fancy computer system, drags the furious customers down to the front line, and instructs his front-line workers to “do it” – fix the problem for the customer as they see fit. He opens the books, confers with the unions, dumps first-line supervisors, installs self-managing teams in short order – and achieves a spectacular turnaround in 90 days (Peters, 1992: 460).

A spectacular turnaround in 90 days: Jon Simpson has guts, actually. He is able to change a company in three months, using teamwork, taking care of the customers as the main priority and opening the books to everyone. I could give many more examples of

how these case studies which reinforce any managerial argument prove that this new way of managing offers excellent results. Every mainstream management book is full of these examples. It seems that all the stories follow, more or less, an identified pattern.

The pattern of the hero-manager narratives.

If we follow Propp's framework, what we can find is basically that these case studies or stories have their functions and characters. From the stories we have read in the last section of this paper, we can talk about these characters (*dramatis personae*). Surprisingly, we have seven, just like in the Russian folktales analysed by Propp:

1. The hero-manager. The case study is his story. He has no flaws, he does not fail. If he fails, it is not his fault, but a conspiracy from others. And even if he fails, he always rises from the ashes, just like the phoenix. We know little about him, except the fact that he has mastery, knowledge and courage. He is not afraid of taking hard decisions. His guide makes everyone win; he gets rid of the bad workers and trade unionists and offers trust and respect. Sometimes we may find a variation, which is the story of a hero-worker who gives an example of how a worker should behave.
2. The witness. He can be either an executive or a worker. He supports the hero-manager, and confirms the story of his achievements. He has witnessed his methods and his success. He has improved his position since the arrival of the hero-manager or, at least, he has a goal, once again.
3. The worker who is committed with his tasks. He may be a little bit appalled in the first place, but soon he follows the hero-manager. He is presented always as a subordinate whose attitude is over-the-top, exemplary.
4. The trade unionist who is an able individual. He is the reasonable trade unionist. He does not put too much pressure on the enterprise, it is easy to reach fair agreements with him which would not damage the company results. He admires the hero-manager, even if he lays-off 10,000 people.
5. The rough trade unionist. He is the unreasonable trade unionist, always ready for a strike. He does not think of profits, he always puts the company in danger with his

crazy requirements. He tries to control the way of managing. Sometimes he is a conspirator, sometimes even a communist. In the end he always fails.

6. The disillusioned worker. In the beginning of the narrative, he is disillusioned or not committed enough. There are two possible variations. It could be that his job does not motivate him, as he is not empowered enough. Or it could be that he is just a bureaucrat. In the first case, he usually turns into the worker who is committed to his tasks (character 3). In the second case, he is usually fired.
7. The unsuccessful manager. He is the manager who is not capable of making the company profitable. This is due to his lack of ideas, his mediocrity, or his incapacity of offering trust and respect to the workers. He is not able to delegate.

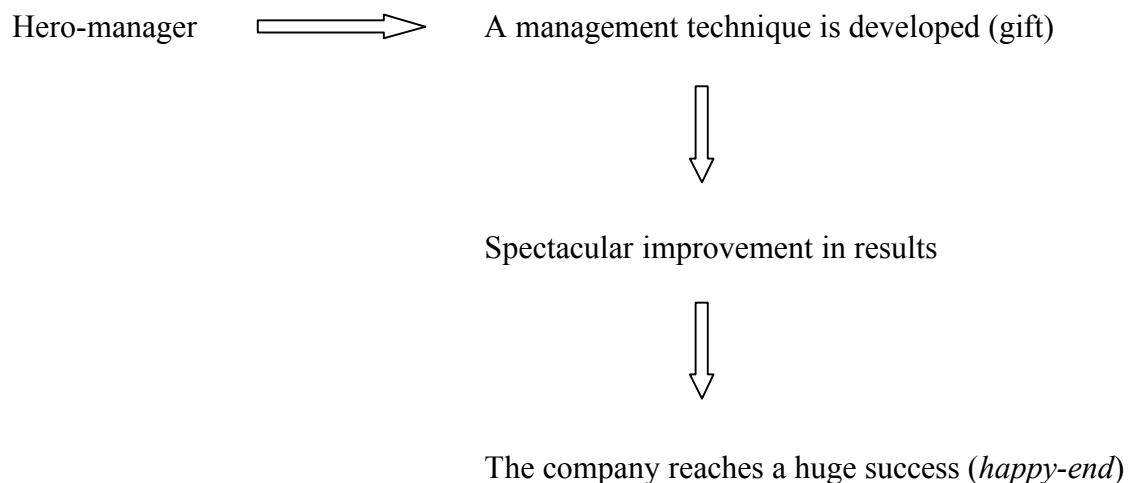
There are also several functions in these texts. I will focus just in some of them, which are repeated in almost all of these case studies:

1. We usually depart from an initial situation, as it was said before. The company may be facing a bad financial situation or, at least, faces mediocrity in its market segment. It may have problems of a different order, such as - excess of bureaucracy, strikes, lack of commitment, or strategic problems that have led to a position of mediocrity. In this stage we find disillusioned workers, rough trade unionists or unsuccessful managers.
2. The hero-manager arrives at the company. The figure of the hero appears in the narrative. He may come from a different company, sometimes from a modest job. He is there mainly to solve problems, substituting the unsuccessful manager.
3. The hero-manager studies the situation. He usually does not study the situation on his own. Some of the witnesses may help him. He will make reports, interview people, collect information.
4. The hero-manager brings a magical agent to the company. The hero-manager has a magical agent, or a gift. That gift is the managerial tool. It may be the Management by Objectives (MBO), the Managerial Grid, the Theory Z, The Business Process Reengineering (BPR) or the Emotional Intelligence. He is going to put that managerial tool into practice.
5. The hero-manager takes decisions. They may be spectacular, impressive, radical. He will apply the managerial tool. The witnesses may be helping him, always as

collaborators (never taking the lead role). He defeats the rough trade unionists (if there are any) and brings new hope to both executives and workers.

6. The company improves its results. This improvement represents a huge turnaround from the initial situation. The disillusioned workers turn into committed workers; the trade unionists become able individuals; the hero-manager reaches better and better results; the witnesses help him and tell it to the audience.
7. Happy-end. The hero-manager becomes a well-respected manager. His actions are considered exemplary, and become part of a case study.

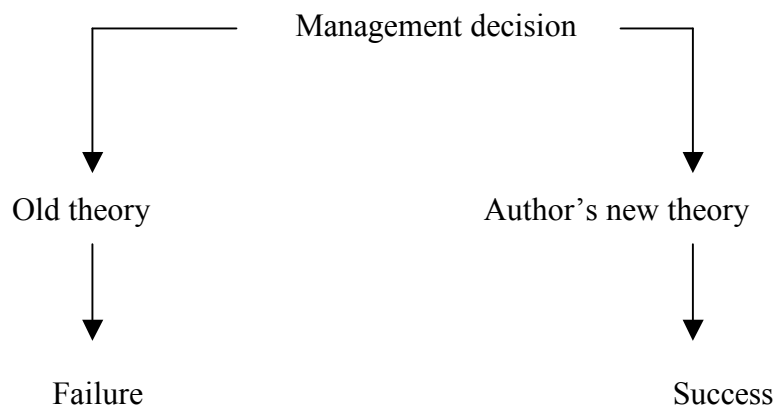
The pattern that underlies these management narratives is very simple. In the first place, the hero (that is, the manager) arrives in a company that has, if not a bad, at least not a top position in the market. He brings the gift, or magical agent, to the enterprise (which is a management technique, though it could be just a stronger leadership or some other quality). This tool and the decisions the hero-manager takes bring a spectacular improvement in results, achieving a not less than huge success in all senses. The pattern can be represented in a very simple figure:



There are small variations on this pattern. Usually the autobiographies of a director tend to explain success in the personal skills of the manager, whereas the books that try to develop a new theory of management tend to blame the old theories for the failure,

presenting their new theory as the key success factor. However, all these examples basically finish with a happy ending, the achievement of a success.

Management is about doing things in the most efficient way. All these narratives seem to flow to a closed point, that is, a conclusion in which a problem is solved in a unique way. These narratives are about choosing the right way. The argument is that there is a new way of managing which leads to better results than the old theory. Therefore, there is a choice between good or bad, between success or failure. The manager who is reading the book, or the worker who has phantasies about running a business, have their chances to choose, but the choices have consequences, very important consequences. They can lead to Heaven or Hell. You are with us or you are against us. It is an argument which, starting with a problem which could lead to interpretation (a problem may be solved in different ways), ends imposing certain action rules. Most of the texts follow this simple figure:



It could be argued that these texts about hero-managers reflect failure as well. The most well-known example is Iacocca's autobiography, in which he describes how he was fired from Ford by Henry Ford II in 1978, after 32 years in the company. But these failures just represent the impulse to achieve even greater goals. Thus Iacocca's story is about how, after being fired from Ford, he rises from the ashes to move to Chrysler and save that company from bankruptcy (Iacocca and Novak, 1986). The failure phase is needed to increase the level of *challenge* in the narrative. It is as if this let-down was

one of the steps to glory, just like in the Hollywood films in which love triumphs over obstacles and breakdowns. So failure just partakes in the wider example.

This means that these discourses show us a path to success and, consequently, their style becomes prescriptive. They function as what is called an *exemplum*. Exemplum was a characteristic type of discourse on the Middle Ages. An example of *exemplum* (!) would be the Life of the Saints or the knight tales. In both cases, we can find heroes that reflect an accepted pattern of behaviour. So, the knight always acts with courage; he never betrays or fails. He cares for truth and justice. The Saint lives the right way of life, he follows the right path. He is a faithful person, he is able to make miracles because he has faith. He helps the weak ones, he comforts the helpless ones. In both cases, both figures have no flaws; if they face failure (a defeat, a sin), that will just make them stronger. They have no stains on their character. They know what they have to do, they have no doubts. His behaviour is an example for the people, and if people follow his steps, they will be rewarded with glory or holiness. Thus, their actions can be understood as prescriptions. There is a road to a success (in both war or sanctity) with no deviations.

An exemplum is, basically, the most representative of dogmatic discourses. There is neither critique of any kind nor alternative. It is the medieval discourse developed by the Catholic Church or the aristocracy to maintain power. According to the Marxist philosopher of language Valentin Voloshinov, in the Middle Ages this was the predominant type of discourse, that is, an authoritarian dogmatism (Voloshinov, 1973: 123). It is quite surprising (and quite disturbing) to find such a close similarity between these management stories and this medieval dogmatism.

Conclusion: an old-fashioned hero.

In summary, these famous best-selling books are telling us stories. Stories of success, of achievement. They are giving us a picture of what today is the social image of the perfect manager. According to the sociologists Boltanski and Chiappello, in these texts we have a clear example of what is called the “spirit of capitalism” (Boltanski and Chiappello, 1999). They do not just bring theories of management, but the moral values of capitalism. These moral values are personified in characters, hero-managers being the most representative ones. These characters, as I have pointed out, are not too different from the heroes of the Middle Ages: they have no stains, they never fail.

Do heroes always behave in that way, in our age? Not really. The great Russian philologist Mikhail Bakhtin made a crucial distinction between heroes in literature. For him, there are basically two types of hero: a hero who corresponds to a classic period, and a hero who corresponds to modernity (Bakhtin, 2003). The classic hero presents his whole life as an existential achievement. He is placed in a concrete space in the world. His character is defined in a very precise way and he acts, in the World, in a predetermined, expected way. Classic heroes are the knights in the knights’ tales, but also the virtuous, who appear in the Lives of saints. Classic heroes develop a model of behaviour that should be followed, as I said before: so, if we follow them we can achieve holiness or grandeur. His position, in an ethical-cognitive way, must not be subject to discussion. As the hero has to transcend, some rules have to be imposed. Therefore, neither a moment of guilt nor responsibility should appear as, again according to Bakhtin, that which would destroy the artistic unity of destiny. If a hero achieves heroism through guilt or responsibility, then he would be free; he could be subjected to a moral judgement; he might not coincide with himself: he could be other. That would mean that he could not represent a clear model - his actions could not be followed. Classic hero discourse is the discourse of the monological: there is just one voice.

The modern hero in literature is completely different. His existence is not related to an achievement. According to another Russian, Yuri Lotman, the variations in behaviour

throughout the history of literature oscillates more as soon as we are closer to modernity. Thus, the prescription of the behaviour is almost complete, whereas in modern epochs we can find a total unpredictability (an example would be the Theatre of the Absurd, developed by Beckett or Ionesco). Examples of a modern hero would be Kafka's, Musil's or Döblin's heroes. But we can find modern heroes even earlier: Don Quixote would be one of them, and that's why Don Quixote is considered the first modern novel. Because his life is full of failure as well as some dreams, achievements, just as in everyone's life. There is space for critique, for the unpredictable, for the unexpected, for conflict, for disagreement, and for other voices. His is a dialogical discourse. There is a dialogue in the novel that does not lead to the success of one voice over the others, but to a complementarity, to an understanding. And *any true understanding is dialogical by nature* (Voloshinov, 1973: 102).

In these books about success we never see failure, which is part of modernity and real life. They show us perfect managerial practices: in real life things are more complex. In real life heroes are hard to find. These books tell us about dogmatism and narrow views, and have nothing to do with reality. The human being is more complex: it could be understood as a divided self, or as a multiplicity. We face success and failures, far from the dream of total perfection. We cannot become hero-managers, they are just a product of dogmatism, a simply ideological character which represents the moral values of capitalism. And, what it is more important, we perhaps do not want to become hero-managers. The hero-manager, then, should be considered an old-fashioned hero, with no relation to our modern times.

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Mick Fryer

THE ETHICALITY OF TRANSFORMATIONAL LEADERSHIP: A COMPARISON OF AMERICAN AND BRITISH MODELS

Abstract

This paper explores the extent to which American and British transformational leadership models respond to three ethical challenges: that transformational leadership behaviour may be co-opted by self serving egotists to further their own designs; that it may submerge minority interests beneath a common agenda; and that it may lead to outcomes that are inconsistent with wider moral considerations. It concludes that the ethicality of Bass's American model is dependent upon it being applied by morally sagacious and virtuous leaders who have an unchallengeable apprehension of moral truth and an unstinting commitment to pursuing courses of action that are consistent with that truth. The British model proposed by Alimo-Metcalfe and Alban-Metcalfe does not impose such onerous expectations upon leaders. It is more sensitive to plurality of interests and leaves space for followers to participate in intersubjective moral construction.

Introduction

Transformational leadership theory centres on the notion that certain individuals are able, through the application of extraordinary leadership behaviours, to influence followers to contribute at a level beyond that which would result from a purely transactional exchange of benefits between leader and followers. Following earlier work by Downton (1973), James MacGregor Burns (1978) pioneered the concept of transformational (or transforming) leadership within a political context. Bernard Bass (1985, 1990, 1998b), alongside Bruce Avolio (1994), applied Burns' teaching to an assortment of organisational settings, carrying out extensive research in order to identify a range of behaviours that contribute to transformational influence. Bass associates four behavioural dimensions with transformational leadership, along with three dimensions that are definitive of transactional leadership. Unlike Burns, who saw transformation and transactional exchange as lying at opposite ends of a continuum, Bass proposed that, in order to achieve optimum effectiveness, leaders must display a full range of transformational and transactional behaviours. Throughout the 1990s, Bass's insights were incorporated into leadership development programmes, encouraging individuals who either held or aspired to formal positions of authority to adopt the full range of transformational and transactional behaviours and thus to enhance their personal leadership effectiveness and organisational performance.

The structure of transformational leadership behaviours identified by Bass has changed slightly over the years. The model to which this paper refers (Bass and Avolio, 1994, Bass and Steidlmeier, 1999) includes four elements.

1. Idealised influence: providing vision and a sense of mission, instilling pride, gaining respect and trust.
2. Inspirational motivation: communicating high expectations, using symbols to focus efforts and expressing important purposes in simple, meaningful ways.

3. Intellectual stimulation: promoting intelligence, rationality and careful problem solving by followers.
4. Individualised consideration: giving personal attention, treating each employee individually, coaching and advising.

Bass's analysis of transactional leadership comprises three behavioural elements.

1. Contingent reward: contracting exchanges of rewards for effort, promising rewards for good performance and recognising accomplishments.
2. Passive management by exception: intervening as required when agreed performance standards are not met.
3. Active management by exception: actively seeking deviations from rules and standards and taking pre-emptive corrective action.

More recently, Beverly Alimo-Metcalfe and John Alban-Metcalfe have evolved a framework of transformational leadership that they consider better suited to British organisational contexts than Bass's model. Alimo-Metcalfe and Alban-Metcalfe (2003, 2005) suggest that the relevance of Bass's research is limited by the fact that it has been carried out primarily in American business and military contexts, usually involving white, male leaders and followers in 'distant' leadership relationships. Arguably, this overstates the contextual narrowness of Bass's research. It is also at odds with Alimo-Metcalfe and Alban-Metcalfe's earlier observation that Bass "cites an extensive range of studies, from almost every continent and a range of sectors, including industrial, military, educational, health care and voluntary agencies to support the validity of his instrument" (2001: 2). Nevertheless, seeking to make good possible limitations in the applicability of Bass's findings, Alimo-Metcalfe and Alban-Metcalfe have carried out their own research, involving male and female respondents of mixed ethnic backgrounds and focusing on "close/nearby" leadership situations. Initial work within the British National Health Service and local government (2001, 2004) has been supplemented by further studies in schools, UK private sector companies, the UK police service and the field of criminal justice (all cited in Alimo-Metcalfe and Alban-Metcalfe, 2005). This has resulted most recently (Alimo-Metcalfe and Alban-Metcalfe, 2005) in the identification of the following six transformational factors that are associated with effective leadership within such contexts:

1. Valuing individuals (genuine concern for others' well being and development).
2. Networking and achieving (inspirational communicator, networker and achiever).
3. Enabling (empowers, delegates, develops potential).
4. Acting with integrity (integrity, consistency, honest and open).
5. Being accessible (accessible, approachable, in-touch).
6. Being decisive (decisive, risk taking).

Transformational leadership theory has undoubtedly left its mark on the field of instrumental leadership effectiveness. However, it is unclear whether it also presents a model for ethical leadership. For Burns (1978, 2003), transforming leadership is intrinsically ethical by virtue of its capacity to facilitate self-actualisation amongst followers. Burns' thesis is that transactional leadership necessarily operates at lower

levels of human motivation and morality because it is limited to exchanges of material benefits between leader and followers. Transforming leadership, on the other hand, facilitates the evocation and satisfaction of those higher-order needs that are consistent with human self-actualisation. According to Burns, the first act of the transforming leader is to “induce people to be aware or conscious of what they feel – to feel their true needs so strongly, to define their values so meaningfully, that they can be moved to purposeful action” (1978: 44). The second is to create a context within which these higher order needs can be satisfied. Transforming leadership thus takes people from what they are to what they should be: ‘that people can be lifted into their better selves, is the secret of transforming leadership’ (ibid: 462).

The ethical appeal of Burns’ model thus echoes the motivational theory of Abraham Maslow (1989 [1943]) and the latter’s hierarchical understanding of human needs. However, Burns differs from Maslow in one important respect. The weakness of Maslow’s system, according to Burns, lies in its essentially individualistic presupposition: “Maslow’s theory of actualisation exemplified this ideology of individualism. It was *self-actualisation*. Internal physical and psychological forces in persons propelled them to rise to the next higher stage in the hierarchy of needs” (2003: 144). Maslow’s theory thus obscures “the external, social forces – family, school, work-place – that also shaped the developing individual” (ibid: 144). Burns appeals to the notion of *mutual* self-actualisation, calling on transforming leadership not only to move followers vertically up the needs hierarchy, but also to move them horizontally to an appreciation of the social nature of their higher order needs:

“The process is ‘vertical’ as individuals are motivated to higher and higher levels of want and hope and ambition and demand. There is an equally important ‘horizontal’ dimension as these spiralling motives of individuals interact, creating integrated structures of collective motivation” (2003: 151).

This, for Burns, is the true moral purpose of leadership: to help followers to apprehend and fulfil socially constituted, higher-order needs that transcend the satisfaction of individual, material wants. Transforming leaders achieve this higher moral purpose by building commitment to a shared vision and enabling achievement of that vision.

Burns’ appeal to self-actualisation casts a warm glow of ethicality over transformational leadership theory, evoking images of socially-oriented leaders helping followers to realise their full human potential through the achievement of shared objectives. However, the practical application of that theory within organisational contexts raises some important ethical challenges. The first of these is that there is no guarantee that transformational leadership behaviours will be used in good faith. The behaviours that have been identified as contributing to transformational effectiveness may be co-opted by self-serving, charismatic egotists in order to further their own agenda rather than to promote the shared vision of the group. A second difficulty is that, even if the leader acts in good faith to promote a shared vision, there is a danger that the interests of minorities or individuals within the group will be submerged under that common agenda. Transformational leadership may thus become a totalitarianism of the majority, obscuring intra-group heterogeneity and suppressing respect for diversity. The third challenge is that even

when the agendas of the leader and all members of the group concur, this agenda may be at odds with wider ethical considerations.

This paper explores the extent to which the transformational leadership models of Bass on the one hand and Alimo-Metcalfe and Alban-Metcalfe on the other hand respond to each of these three difficulties in turn. The ethical desirability of Bass's model is found to rest on the assumption that it will be applied by altruistic, morally perspicacious and virtuous individuals who unite supporters in the pursuit of outcomes that are congruent with objective notions of justice that are apprehended by the leader. It thus calls upon leaders to fulfil the role of moral sage. It also assumes homogeneity of interests amongst all those who are affected by the outcomes towards which the leader unites his or her followers. Alimo-Metcalfe and Alban-Metcalfe's model, on the other hand, does not call for such demanding standards of moral sagacity in leaders. It is therefore more realistic. It does, however, contain an intrinsically altruistic quality. Furthermore, it allows space for followers and other stakeholder groups to participate in Habermasian-style, intersubjective construction of moral standards.

Transformational leadership is an instrumental tool that may be used to promote the personal agenda of the leader

Bass concedes that he was once concerned that transformational leadership may be co-opted by people who seek to manipulate others in order to realise their own selfish designs; that transformational leaders might wear the "black hats of villains or the white hats of heroes depending on their values" (Bass and Steidlmeier, 1999: 187). However, he and Paul Steidlmeier quell this anxiety by developing a distinction between *authentic* and *inauthentic/pseudo* transformational leadership that serves to categorise egotistically motivated leaders as pseudo transformational, reserving the attribution of authentic transformational qualities to leaders whose behaviour is consistent with a common purpose. By using the four behavioural dimensions associated with transformational leadership as a framework within which to differentiate between authentic and pseudo transformational leaders, Bass and Steidlmeier make a sharp distinction between the group oriented behaviour of the former and the egotism of the latter. So, the *idealised influence* of the authentic transformational leader places the interests of followers above the leader's personal ambition for power and position. Pseudo transformational leaders, on the other hand, are the "inauthentic CEOs [who] downsize their organisation, increase their own compensation, and weep crocodile tears for the employees who have lost their jobs" (ibid: 187). *Inspirational motivation*, will, in the authentic transformational leader "focus on the best in people - on harmony, charity and good works" (ibid: 188) while, in pseudo transformational leaders, it focuses "on the worst in people - on demonic plots, conspiracies, unreal dangers, excuses and insecurities" (ibid: 188). Similarly, the *intellectual stimulation* of the authentic transformational leader employs openness that "has a transcendent and spiritual dimension...[which]...helps followers to question assumptions and generate more creative solutions to problems". Pseudo transformational leaders, on the other hand, "take credit for others' ideas but make them scapegoats for failure" (ibid: 188). Lastly, with respect to Bass's fourth dimension *individualised consideration*, the authentic transformational leader "treats each follower as an individual and provides coaching, mentoring and growth opportunities" (ibid: 189) in order to develop the leadership potential of those

followers. Pseudo transformational leaders, on the other hand, are “more concerned about maintaining the dependence of their followers” (ibid, p189), “seek[ing] to maintain the personal difference between themselves and their followers” (ibid, p189) and to “foment favouritism and competition amongst followers in the guise of being helpful” (ibid, p189). Furthermore, while acknowledging that both types of transformational leader have a need for power, Bass and Steidlmeier propose that the authentic “channel this need in socially constructive ways in to the service of others” (ibid, p189), whereas pseudo transformational leaders “use power primarily for self-aggrandisement and are actually contemptuous privately of those they are supposed to be serving as leaders” (ibid, p189).

Bass and Steidlmeier’s authentic/pseudo distinction thus enables altruistically motivated transformational leaders to be distinguished from some of the less admirable, but nevertheless highly effective, leaders of recent times, such as Pol Pot and Saddam Hussein: while the latter may have demonstrated the behavioural dimensions that are normally associated with transformational leadership, they have done so in such a way that disqualifies them from being authentic transformational leaders. However, whether the authentic/pseudo distinction also provides an adequate response to the challenge that Bass’s transformational leadership behaviours might be co-opted by self-serving egotists is unclear. That distinction may facilitate differentiation between authentic and pseudo transformational leaders on the basis that the former apply their exceptional transformational behaviour in the interests of building commitment to and achieving a shared vision, while the latter apply similar behaviours to the achievement of their own personally defined agenda. Nevertheless, in both cases the transformational behaviours are the same; they are just applied to different ends. There is nothing inherently altruistic in the behaviours that define transformational leadership. As such, there is little to still concerns about the social hazards of enrolling self-serving egotists on Bass-inspired leadership development programmes and loosing these transformationally empowered leaders into the workplace.

Alimo-Metcalfe and Alban-Metcalfe’s (2001, 2005) transformational leadership model offers firmer ground from which to mount a response to the challenge of co-optation by self-serving egotists. The behavioural dimensions that Alimo-Metcalfe and Alban-Metcalfe associate with leadership effectiveness contain an inherently greater degree of altruism than is apparent in Bass’s model. For example, in presenting the first factor of their most recent categorisation (2005), *valuing individuals (genuine concern for others’ well being and development)*, Alimo-Metcalfe and Alban-Metcalfe note that

“unlike most US models where vision and charisma dominate, this factor is unequivocally the most important aspect of transformational leadership in the UK sample, explaining more variance than all the remaining factors together” (2005: 57).

Their third factor, *enabling*, identifies the “the act of a manager to truly enable a direct report to enact their discretion, which as a result, to some extent, disempowers the manager” (ibid: 59). Such behaviour is distinguished from a “grace and favour power relationship” (ibid: 59) which “is most often applied to a leader ‘granting’ his/her direct report an opportunity to exercise discretion, but not so as to reduce the

power of the manager” (ibid: 59). Likewise, Alimo-Metcalfe and Alban-Metcalfe’s fourth factor, *acting with integrity*, contains an inherently altruistic dimension insofar as it measures the extent to which a leader “regards the good of the organisation as more important than satisfying his/her own personal ambition” (ibid: 60).

At first glance such qualifications may seem to offer no more than Bass and Steidlmeier’s pseudo/authentic distinction. However, there is a fundamental difference in the approach taken by Bass and Steidlmeier and that taken by Alimo-Metcalfe and Alban-Metcalfe. Bass defined a model for leadership effectiveness and then, in response to the challenge that this model could be harnessed to good or evil ends, added a distinction that enables those who use transformational leadership to further their own interests to be distinguished from those who use it with altruistic intent. However, the model remains the same in both cases; it is just used to different ends, and potentially to equal effect, by pseudo and authentic leaders. Alimo-Metcalfe and Alban-Metcalfe’s model, on the other hand, contains intrinsically altruistic qualities. The factors that Alimo-Metcalfe and Alban-Metcalfe identify as characterising transformational leaders, and which they seek to promote in public sector leaders, include an assessment of the motivation of the leader that is absent from Bass’s model. Whereas Bass’s model describes what leaders do, that of Alimo-Metcalfe and Alban-Metcalfe also seeks to measure what leaders feel. If Bass’s claims for the efficacy of the transformational behaviours that he describes are valid, then those behaviours will work no matter what the orientation of the leader may be. The behaviours described by Alimo-Metcalfe and Alban-Metcalfe, on the other hand, are intrinsically altruistic: they will not work unless the leader has the interests of followers at heart.

Transformational leadership may be inconsistent with individual or minority interests amongst followers

The second difficulty confronted by transformational leaders in moving followers towards the realisation of collective self-actualisation is that minority interests within the group may be obscured by the common vision. Michael Keeley (1998) points out that the efficacy of self-actualisation as an ethical justification for transformational leadership rests upon the questionable assumption of psychological and socio-political homogeneity amongst followers. Keeley questions this premise, concluding that transformational leadership presents an insidious version of majority rule, in which peer pressure is placed upon all followers to support the common vision generated by the leader regardless of its congruence with individual interests and aspirations. Under the thrall of transformational leadership, minority groups will be subjected to subtle coercion to conform to that vision and “unless leaders are able to transform everyone and create absolute unanimity of interests (a very special case), transformational leadership merely produces a majority will that represents the interests of the strongest faction” (1998: 124). Given the unlikely nature of such unanimity of interests in work organisations, Keeley proposes the desirability of a kind of organisational federalism, which responds to the reality of pluralism in the workplace. He calls on leadership theorists to cease prescribing obscure notions of common interest that have no basis in empirical reality and to focus instead on the rights and interests of employees that merit absolute protection against being downtrodden by aspiring transformational leaders, whether these be common-good evangelists or self-serving charlatans. For Keeley, the focus of organisational theory should be the

creation of the necessary checks and balances to safeguard these rights and interests, rather than the development of transformational skills that only serve to threaten them.

Bass's (1998a) defence against Keeley's critique provides an enlightening insight to the commitments that underpin his transformational leadership model. That defence begins with a reminder that, according to his theory, successful transformational leaders do not just exhibit transformational behavioural elements; they also need to demonstrate transactional elements. For Bass, transactional elements provide the checks and balances needed to ensure adequate representation of minority interests, while transformational elements unite followers towards their shared purpose. However, Bass's defence confronts two difficulties. Firstly, it does not recognise any tension between transaction and transformation. Whereas Burns (1978) places transactional and transforming leadership at opposite ends of a spectrum of styles, a central element of Bass's teaching is the incorporation of both transactional and transformational elements into a comprehensive leadership approach. Thus, while Burns allows for the possibility of conflict between individual interests and common good, Bass obscures it. His treatment of Keeley's (1998) critique implies impatience with this dilemma. His disparaging description of the ills of transactional exchange within an organisational setting indicate that he would call on transformational leaders to step in at a fairly early stage to forestall such time wasting and costly mechanisms:

“When it comes to moral standards, transactional exchanges and negotiations are likely to be fraught with the potential for manipulation, withholding of information, making political alliances, initiating actions for delaying their implementation, openly compromising but covertly diverting plans, bluffing, and timing the release of information for when it will do the most” (1998a: 175-176).

The second troubling aspect of Bass's defence is the inclusion of some surprising analogies to support the morally legitimising quality of group interests. He suggests, for example, that:

“If trying to change the values of employees of a firm to move them into alignment with the organization's values for the good of all stakeholders is immoral, then it is immoral for correctional authorities to try to shift the values of prison inmates to become constructive, law abiding citizens” (1998a: 179).

To equate employees in need of alignment with prisoners in need of social correction seems misguided, to say the least. Bass goes on to compare the leader-follower relationship to that between a physician and his or her patient, suggesting that the leader is as justified in defining and building commitment to shared organisational goals as the physician is in upholding the health of the patient. The inference of this rationale is that a business leader is as knowledgeable about the interests of his or her employees as a physician is about the health of his or her patient. It also assumes that the business leader is as personally and professionally committed to upholding those interests as a doctor is to ensuring the health of his or her patients. Moreover, it assumes that members of organisations are as willing to be subjected to the leader's assessment of their true interests as patients are to be subjected to a physician's assessment of their best health. These are all questionable assumptions. Rather than

building support for the ethicality of transformational leadership, such arguments only serve to increase the discomfort of those who see it as a challenge to individual and minority interests.

Alimo-Metcalfe and Alban-Metcalfe agree with Bass's finding that transformational and transactional approaches are independent and complementary, so they also see no inherent tension between them. Indeed, Alimo-Metcalfe and Alban-Metcalfe suggest that this correction of a "fundamental error in Burns' theory, namely Burns' assertion that transformational and transactional leadership are at opposite ends of a continuum of leadership" (2001: 2) is a significant contribution on Bass's part. Nevertheless, a more sympathetic response to the dangers of totalitarianism of the majority is evident in Alimo-Metcalfe and Alban-Metcalfe's (2005) contention that "the constructs of leadership emerging from our data also place great importance on being sensitive to the agenda of a wide range of internal and external stakeholders, rather than seeking to meet the agenda of only one interest group" (2005: 63). Sensitivity to this challenge is also apparent in the distinction that Alimo-Metcalfe and Alban-Metcalfe draw between their *networking and achieving* factor and Bass's *inspirational charismatic*¹ dimension. The former includes a "crucially important additional aspect, which is 'sensitivity to the agenda of different key players/interest groups, such that they feel they are being served by the vision'" (ibid: 58).

Alimo-Metcalfe and Alban-Metcalfe clearly have the benefit of having developed their model with full awareness of the criticisms that commentators such as Keeley have levelled at Bass. Sensitivity to these concerns is therefore to be expected. However, the milieu within which Alimo-Metcalfe and Alban-Metcalfe's research has been conducted necessarily encourages such sensitivity. Unlike the Bass model, which was developed within the cultural homogeneity of American, white, male organisational settings, Alimo-Metcalfe and Alban-Metcalfe have evolved their model within multi-ethnic and gender-diverse contexts. Whether their model fully responds to the common good dangers that are inherent in transformational leadership is uncertain. However, their overt acknowledgment of cultural heterogeneity, their emphasis on the desirability of a pluralistic response, and their choice of ethnically- and gender-diverse research settings indicate a sympathy for pluralism than is absent from Bass's curt dismissal of Keeley's concerns.

Transformational leadership may be inconsistent with wider ethical considerations

Joseph Rost points out that even if, as Burns claims, "leaders and followers raise one another to higher levels of motivation and morality", there is nothing in this notion of transformational leadership that speaks to organizations and societies being raised to higher levels of motivation and morality" (1991: 164). Rost proposes that an ethical justification of transformational leadership that rests solely on the personal redemption of followers and leaders is too narrow; it must also consider the wider impact on societies. Terry Price (2003) suggests that the vigour with which Bass and Steidlmeier respond to the hazards of co-optation by egotists only serves to magnify

¹ Alimo-Metcalfe and Alban-Metcalfe refer here to a three-fold classification, which appeared in Bass 1998b, in which the *inspirational charismatic* dimension combines *idealised influence* and *inspirational motivation*.

the danger of transformational leadership conflicting with wider moral considerations. For Price, Bass and Steidlmeier's efforts to discredit egotists over-emphasise the desirability of leaders who place the interests of the group above all else. It thus understates the "peculiar cognitive challenge of leadership" (Price, 2003: 69); a pernicious, misplaced altruism. For Price, narrowly defined altruism may present as great a threat to the ethicality of leadership as egotism.

If misplaced altruism represents a potential challenge to the ethicality of leadership, this challenge finds particular potency in authentic transformational leadership. Price is concerned that the very emphasis that the authentic transformational leader places on the interests of his or her followers is likely to unbalance his or her ethical judgement in favour of those interests. Furthermore, the dynamic of social influence that embodies transformational leadership will evoke participation by followers in this ethical imbalance. By winning the hearts and souls of followers and lifting them to a plane of commitment that goes beyond transactional exchange, transformational leaders may evoke participation in actions that would not result from a rational appeal to personal interest. The very effectiveness of transformational leadership thus contains the seeds of its potential moral degeneracy.

Arguably, the failing of narrowly defined altruism is embodied by two of the leaders to which Bass and Steidlmeier (1999) refer in order to illustrate their authentic-pseudo distinction. Saddam Hussein and Pol Pot have been demonised by the medias of those, mainly Western, nations whose political interests and cultural backgrounds differ from theirs. And both appear to have pursued human rights policies that contrast markedly to Western norms. However, it is far from certain that such leaders were driven only by egoistic self-interest; that they pursued their brutal regimes purely out of a desire for personal aggrandisement as Bass and Steidlmeier suggest. Was there no altruistic dimension to their motivation; no desire to further the well being of the people and the political principles that they represented? If they were egoistically driven, then they conform to Bass and Steidlmeier's picture of pseudo transformational leadership, and can thus be cast as villains rather than heroes. But could it be that these leaders, unpalatable though they might be to Western observers, were driven by a single-minded desire to do what they considered best for the people that they led and the political ideologies in which they believed? If so, then they may be heroes after all. Even Adolf Hitler, that archetypal, villainous leader of the twentieth century, was driven by a mission to rejuvenate the economic and military status of Germany and restore his people to what he considered to be their rightful place of European pre-eminence. It was abundantly clear to Hitler that the pacifists and socialists who were responsible for the dishonourable surrender that ended the First World War had betrayed his people (Hobsbawm, 1995 [1994], Grint, 2000). His vision of redemption, unacceptable though it is to most observers, was not the vision of a narcissistic egotist who was driven purely by self-interest. It was the vision of a man who believed so strongly in the ideals and values that underpinned his political ideology that he was prepared to place them above all other moral considerations in initiating acts of barbarous atrocity. For Bass and Steidlmeier, a measure of authenticity in transformational leadership is that leaders have a "strong attachment to their organization and its people" (1999: 187) and that they are "inwardly and outwardly concerned about the good that can be achieved for the group, organization or society for which they feel responsible" (ibid: 188). If we accede to Price's (2003)

reservations, this “strong attachment” and “inward and outward concern” may sow the seeds of the style of leadership exhibited by Pol Pot, Saddam Hussein and Hitler.

Neither Bass nor Alimo-Metcalfe and Alban-Metcalfe explicitly address conflict between the shared vision of leaders and followers and wider moral considerations. Nevertheless, an insight to their respective ontological positions and their respective stances on the relationship between morality and transformational leadership is afforded by their discussion of the latter. In defending the moral probity of authentic transformational leadership against a broad range of charges, Bass and Steidlmeier undertake a tour of Western ethical perspectives, pointing out how these are congruent with authentic transformational leadership behaviour. Thus, they argue that the values embodied in authentic transformational leadership lie easily with Confucian and Socratic thought, Judaeo-Christian tradition and the “modern ethical Western ethical agenda of individual liberty, utilitarian social choice, and distributive justice” (ibid: 193). In presenting this argument, they also present a particular perspective of the relationship between transformational leadership and morality, one in which responsibility for the identification of moral rectitude lies primarily with the leader.

Bass and Steidlmeier commence by noting the central position that Socratic and Confucian philosophy accord to the moral sage, who is primarily motivated by a virtuous disposition and a quest for truth. The moral sage, they suggest, provides a template of virtuous leadership to which the authentic transformational leader conforms. Bass and Steidlmeier’s understanding of a moral sage is of an exceptional individual who has a clear personal understanding of the nature of virtue and ultimate truth and who is able to share that understanding with followers. There is little space for followers to participate in the definition of virtue and truth. Although Bass and Steidlmeier regard the activities of such moral sages as “no individualist project – it occurs both within and for a fiduciary community” (1999: 196), it is clear from their narrative that the communal quality of virtue lies not in the nature of its derivation but in the constitution of its beneficiaries. Virtue and ultimate truth are not defined through a participative process; they are personally defined by morally sagacious leaders. They are not social accomplishments, as is suggested by the Aristotelian exposition of virtue ethics, but the achievements of exceptionally gifted visionaries.

Bass and Steidlmeier go on to trace the impact of the Socratic notion of the moral sage in the Judaic/Christian tradition, where “the moral sage (saint/holy person) exercises a transforming influence upon those s/he contacts” (1999: 196). Again their understanding is one of leaders blessed with exceptional moral insight who are able to share their personally defined virtue with their constituents: “The true transformational leader is to be, in Confucian terms’ a ‘superior person’” (1999: 196).

The onus on leaders to undertake unilateral moral definition is also evident in Bass and Steidlmeier’s solution to the tension between the libertarian prioritisation of the individual and the communitarian focus on the common good. This reconciliation is presented as a three-stage process. The first stage points towards a social understanding of morality in proposing that the ethical course of action is that which reconciles a plurality of individual interests and rights. The second stage is to posit the need for leadership to undertake this act of reconciliation. For Bass and Steidlmeier, leaders are needed by communities to identify the real interests of the community, to

harmonise apparently conflicting individual interests and to promote the common good. The third stage of their argument is that authentic transformational leaders are best placed to meet the considerable challenge presented by this community-leadership role. So, within the community of business, it is the task of the authentic transformational leader to reconcile the “various constituencies (workers, customers, suppliers, managers, shareholders, local communities and so forth) all of whom have a legitimate strategic and moral stake in the organization” (1999: 200) and to “forge a path of congruence of values and interests among stakeholders” (1999: 201).

The picture emerges of a Solomon-like figure who possesses firstly the moral perspicacity to balance competing rights and interests, defining the path towards moral rectitude, and secondly the capability to influence followers to cast aside their individual claims and unite towards the fulfilment of this moral vision. A key aspect of this thesis is that the definition of moral rectitude is, in itself, not a collective achievement. Responsibility for defining the right course lies with the leader. The collective quality of the act of leadership is restricted to the scope of its subject matter and the focus of its implementation. It does not extend to inviting participation in the definition of that right course. The task of the authentic transformational leader is not to facilitate intersubjective moral construction; it is to make and implement moral judgements with reference to objective standards to which the leader has privileged access.

Alimo-Metcalfe and Alban-Metcalfe do not directly address the congruence of their transformational leadership model with specific moral theories. However, while Bass and Steidlmeier display an objectivist moral ontology, in which the transformational leader plays a key role of definition and implementation, Alimo-Metcalfe and Alban-Metcalfe allow for the possibility of intersubjective moral construction in which leaders and followers all play a part. Interpreting Alimo-Metcalfe and Alban-Metcalfe’s research papers to impute a constructivist moral ontology may, perhaps, be reading too much between the lines. However, their call for leaders to respond to ethnic- and gender-diversity in a spirit of participative consultation stands in marked contrast to Bass’s depiction of the transformational leader as self-assured moral sage. Alimo-Metcalfe and Alban-Metcalfe’s reservations about such self-assurance in respect to leadership effectiveness are apparent from their discussion of decisiveness as a leadership factor. While *being decisive* appears as an important aspect of their leadership model, it is “a different tenor from the U.S. model” (2005: 61). Noting a move away from “‘heroic’ models of leadership, and even a growing antipathy towards such models” (2005: 54), Alimo-Metcalfe and Alban-Metcalfe cite Stacey’s (1999) finding that reliance on self-assured, visionaries imbued with special powers is likely to engender a culture of dependency and conformity which, ultimately, will not be in the best interests of organisations. Indeed, they find that “a preparedness to admit ones mistakes, and being willing to admit that, at times the manager does not know what to do” (2005: 60) is likely to enhance transformational effectiveness. In this respect, the point to a marked difference between their models and earlier US models, insofar as “there appears to be a far greater sense of proximity and openness, humility, ‘vulnerability’” (2001: 20 and 2005: 63), in the former. Alimo-Metcalfe and Alban-Metcalfe therefore provide some reassurance that the single-minded, self-righteousness that has restricted the focus of some of the twentieth century’s more disastrously potent leaders will be de-emphasised in the leaders who exhibit their transformational model.

Conclusion

Bass's research suggests that his model of transformational leadership offers a recipe for instrumental effectiveness within certain organisational contexts. So Bass-style transformational leadership can be effective, but is it also necessarily ethical? With respect to the three challenges discussed here, its claim to ethicality rests upon four assumptions. The first assumption comprises a particular understanding of the commonality of interests amongst those who are impacted by the activities of the organisation. The second assumption concerns the moral perspicacity of transformational leaders. The third assumption relates to the transformational leader's motivation. The last relates to the effectiveness with which leaders can inspire followers towards the achievement of a shared, moral vision.

As far as homogeneity of interests is concerned, Bass presents slightly different understandings at different times. His (1998a) response to Keeley's concern for minority interests displays a characteristically *unitarist* (Fox, 1966) perspective. In this discussion, Bass proposes a utopian vision of organisations as stakeholding communities in which all apparently contradictory interests can be united. By raising all parties to higher levels of morality, the authentic transformational leader will help them to perceive the essential homogeneity of their interests. On the other hand, a *pluralist* perspective is apparent in Bass and Steidlmeier's discussion of the "delicate tension" (1999: 200) between individual and community ethics. Here, Bass and Steidlmeier call upon transformational leaders to undertake the essential task of arbitration between conflicting interests, bringing about a reconciliation that is consistent with the ultimate standards of justice to which the leader has privileged access.

Whether a unitarist or pluralist perspective is read into Bass's commentary, it is clear that the ethicality of transformational leadership also rests heavily on the capability of the leader to perceive the ethical course of action. Whether a unitarist or a pluralist position is advanced, the role of the leader in identifying the right course is key. In the former case, it is the leader who apprehends the common ground that represents the essential unity of stakeholder interests. In the latter case, the transformational leader arbitrates between a plurality of interests in accordance with objective standards of truth and goodness to which he or she has access.

The third assumption is that the leader will necessarily place the achievement of a common vision that is consistent with objective standards of justice above all personal or parochial considerations. The sage-like qualities of authentic transformational leaders lie not only in their apprehension of ultimate moral truth, but also in their virtuous disposition. They will therefore place the achievement of outcomes that conform to ultimate moral truth above all other preoccupations.

The fourth assumption comprises the crux of Bass's theory of instrumental leadership effectiveness. This is that leaders who display certain behaviours will succeed in uniting rallying support for their vision. This fourth assumption has been validated, at least with regard to certain types of organisational setting, by extensive empirical enquiry carried out by Bass and his colleagues. If the first three assumptions are also valid then, within such settings, transformational leadership as defined by Bass will be

ethical. However, these first three assumptions are far less clearly established. If either the unitarist frame of reference or Bass's optimistic vision of reconcilable plurality of interests are considered to be at odds with reality; if both are regarded as either well-meaning but naïve aspirations or as Machiavellian deceptions on the part of enterprise, aimed at neutering the ability of stakeholders to represent their true interests, then transformational leadership's claim to ethicality is damaged. The second and third assumptions also rest on a questionable understanding of the capability and motivation of organisational leaders. They exalt the leader to the role of moral sage. Organisational leaders are thus characterised as gifted visionaries who are able to perceive the long-term interests of all stakeholders, including themselves, their employees and external parties. They are able to resolve the complex ethical dilemmas posed by competing stakeholder interests. They also possess the moral rectitude to pursue the course of action that is consistent with such a reconciliation of interests. If we accept the reality of the existence such leaders, then the paternalistic ideal that underpins their right to transform the hearts and soles of followers to a higher plane of self-actualisation need hold no concern. On the other hand, if such a picture of moral sagacity and virtue is thought to be at odds with the reality of organisational leadership, then transformational leadership, as a template for ethical leadership, is seriously undermined.

The ethical legitimacy of Alimo-Metcalfe and Alban-Metcalfe's transformational leadership model also depends on this fourth assumption, that the leaders that they describe will be able to rally the efforts of followers towards a common vision. And just as Bass's research has validated his model within certain organisational settings, so has that of Alimo-Metcalfe and Alban-Metcalfe validated their own model in different types of organisational setting. However, Alimo-Metcalfe and Alban-Metcalfe's model does not depend either on unitarism or on reconcilable pluralism. They explicitly acknowledge plurality of interests and depict transformational leaders as respecting and responding to such pluralism. Neither does their model call upon transformational leaders to have privileged access to moral truth. On the contrary, their acknowledgement of the fallibility of unilateral self-assurance leaves space for leaders to invite followers to participate in a process of intersubjective moral construction. Furthermore, by including an assessment of leaders motivation in the factors that contribute to instrumental effectiveness, Alimo-Metcalfe and Alban-Metcalfe do not leave to chance the altruistic orientation of the leaders who exhibit such behaviours.

The conclusion of this paper is that Bass's model of transformational leadership has provided a recipe for instrumental effectiveness within certain organisational contexts. However, in offering an ethical justification for that model, Bass may have raised more questions than he has answered, thus clouding rather than clarifying the ethical credibility of transformational leadership. Alimo-Metcalfe and Alban Metcalfe have developed an alternative model that promotes instrumental effectiveness in different organisational contexts. Compared to Bass's model, that of Alimo-Metcalfe and Alban-Metcalfe may be relatively underdeveloped. Furthermore, Alimo-Metcalfe and Alban-Metcalfe do not explicitly address the ethical ramifications of their transformational leadership model to the same extent that Bass (1998a) and Bass and Steidlmeier (1999) have done. Nevertheless, the altruistic, facilitative and consultative qualities of Alimo-Metcalfe and Alban-Metcalfe's model provide the basis for a more robust response to three key challenges to the ethicality of transformational leadership

considered here than does Bass's model. It therefore resuscitates the potential for transformational leadership to be both instrumentally effective and ethical.

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Excess of visions - the creation of empty spaces in organizations

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(working paper)

Abstract

Traditionally, Organization Theory has built on the assumption of a linear development of the organization - first, there is a vision, then an organization. Recent research has shown that organizations do not follow this rational model. In this paper, I explore “mCity”, an organization intended as a temporary project, but today made into a permanent part of the strategic ICT-work of the City of Stockholm. “mCity” provides an interesting case of an organization where multiple visions coexist, and in trying to understand how this is possible, I present the idea of the “empty space”, created in between the different visions, evolving around the least common denominator – the name “mCity”. In doing this, I draw on ideas on sense-making and dialogue.

Keywords: management, project, vision, city, dialogue, mobility, mobile, language, organization, sense-making, Bakhtin, Buber

Introduction

Handbooks in Organizational theory sometimes define management as using scarce resources in the most efficient way possible, describing organizational activity as the systematic and strategic structuring of these to reach a set goal. (Aniander, Blomgren et al. 1998; Ljung, Nilsson et al. 1998) This rational way of looking at the organizational and managerial processes has been challenged, both from a theoretical point of view as the concept of “the economic man” has been questioned, (Gustafsson 1994) and from an empirical point of view, as studies of organizational activities has shown that the organizational and managerial processes are much more multidimensional than is sometimes described in handbooks in Organizational theory (Carlsson, Mintzberg et al. 1991). Nevertheless, there is often the assumption that the vision and mission of the organization is a set prerequisite for the organizational activity, the foundation of the organization and its activities, and that even though it may change over time, it is still singular at specific points in time.

The assumption that the organization has One Vision on which it builds its activities relates to a linear, Schumpeterian, way of interpreting entrepreneurial activities: first there is some creative act resulting in a product or idea which in the next step can be exploited in the forming of a business-plan, and in order to realize this, the necessary organization is built. Or, as in the case of public institutions, first a need is spotted which is thought to be solved through the implementation of an organization launching activities to meet the need. In both cases, the Vision is thought to come before the organizational activity. When the organization is set, the Vision can be changed, for example through discussion, negotiation or authoritative decision, resulting in a modified, or new, but still singular, Vision.

During the last decades, it has become quite clear that different individuals perceive the same phenomena in different ways, and that different people may have different ideas (conscious) or images (unconscious) of the vision of an organization, forming outsiders’ opinions about the organization, and insiders’ “organizational identity”. (Abrahamsson and Andersen 1996; Schultz, Hatch et al. 2000; Albert and Whetten 2004) The Leader of the organization – often being the owner or the manager of the Vision – may try to move these different ideas/images in the direction wished for through marketing, aiming at people outside the organization, through “expressive

leadership”, (Salzer-Mörlling 2002) or through the work with “identity management” aiming at people in the organization. But what happens if there are several, coexisting visions in an organization?

In this paper, I intend to explore an organization built on multiple visions, sometimes overlapping, but sometimes also in conflict. The studied organization is an organization which initially was intended to be temporary, but which has become permanent. It is still called “the mCity-project”, though, even though “mCity” is the name used just as often by the actors today, a name which I also will use in this paper. It was launched in January of 2002, aiming at organizing “the mobile city” through the development and implementation of mobile technology in the city of Stockholm among different groups of people: residents, commuters, municipal employees and tourists. It was the result of a joint initiative from the public and private sectors, but it was a municipal organization, the Stockholm Economic Development Agency¹, which wrote the first project outline and hired a project manager during the fall of 2001. About five companies within the Swedish telecom industry were active in the recruiting process, and were also represented in the Steering group of mCity. Initially, the idea was to make it a two-year project, but today, early summer of 2005, mCity has become a permanent part of the Stockholm’s strategic work with ICT:s.

Being the focus of my empirical work for my PhD, I met with the mCity-manager/s² and other actors involved in the project about once a week, between September of 2002 and July of 2004, conducting interviews, participating in meetings, taking notes and collecting various documents about the project.³ The material is largely in Swedish, and for the purpose of this paper, I have translated the excerpts quoted. In this paper, I will present the multiple visions of mCity and then – as this was originally intended to be a temporary organization - I will turn to project theory in trying to understand how visions can coexist in an organization, before, finally, I will develop my idea on the creation of an “empty space”.

¹ “Stockholms Näringslivskontor”, then part of the municipal organization, today a municipal company, owned by the City of Stockholm

² a second project manager was hired in the summer of 2003, and in March of 2004 a third project manager replaced the first who took a 6-months leave of absence

The mCity organization

In the project plan, written by the mCity manager in June of 2002, the purpose of mCity was described to:

“... promote the use of mobile services by initiating pilot projects with solutions for inhabitants, companies and visitors to the City of Stockholm. The project starts from the users’ perspective and should give priority to solutions which increase the users’ quality of life by increasing their flexibility, mobility, democratic rights and safety. mCity should also contribute to promote the economy of the Stockholm region by stimulating companies and increase the employment rate in the city.”

[...]

The project should lead to the cooperation with other actors in Sweden as well as in other countries. mCity should create possibilities for the pilot projects to be carried on after the end of the project.⁴

The deliverables and measurable outcome of the project was specified to be the generation of about 30 well-defined project ideas of which 5-10 were to be implemented. To reach this goal, a budget and a simple form of task responsibility matrix was decided upon by the Steering group, agreeing upon the proposal written by the mCity manager in June, 2002.⁵

Half a year later, in December 2002, it became clear to the members of the Steering Group that the members had started to use ”mCity” as a brand for all work with mobile technology within the city, not only denoting the work carried out by the mCity manager in the different pilot projects.⁶ The word about mCity had spread, and continued to spread, not only in Stockholm, but to other parts of the world, as the mCity managers and others spoke about the project at conferences, seminars, to journalists, politicians and academics. At the same time it became clear that the actors involved – the mCity management, the different municipal organizations and the companies - differed in their perspectives concerning the project, as their interpretations of the purpose and intentions with the project in several cases seemed rather conflicting, evolving around four main questions:

- * should the project focus on technology or users?
- * should the project support telecom-industry or the city-organizations?
- * should “mCity” be a brand or a name for a specific content?
- * should the project be big or small?

³ My PhD dissertation is planned for the fall of 2008. This paper builds on my text for the “half-way-through”-seminar which will take place in September 2005

⁴ “Projektplan mCity – Mobila lösningar med användarna i fokus”, 2002-06-18

⁵ “Projektplan mCity – Mobila lösningar med användarna i fokus”, 2002-06-18

⁶ Notes/recording from Steering Group meeting, 2002-12-02

Focus on technology or users?

Initially, the Stockholm Economic Development Agency and several of the companies involved, envisaged mCity as something of a testbed for high tech mobile solutions, motivating the idea with a reference to “the successful development of I-Mode in Japan, which creates a larger pressure on the European actors” [within the ICT-industry]⁷. But this differed from the vision of mCity as described for example by some of the people benefiting from the solutions implemented. In an interview with the managers of a team of people working as personal assistants to handicapped people in the City District of Maria-Gamla stan where one of the pilot-projects of mCity was carried out, the managers Carina and Ednah described the mobile application which had been implemented:

Carina: We call in substitute staff through SMS. Ednah has made lists of staff starting from each user [of personal assistance]. So if we see in the time schedule that for example Sixten does not have enough assistants during the weekend, he has a group called ‘Sixten’, to which we can send a group-SMS message and then we usually get an answer very quickly. Let’s take an example. Friday two weeks ago Ednah and I were on our way from our weekly work-out – we’re allowed to use an hour a week for that – and were going to one of our staff to congratulate her on her birthday, which we do if they don’t live too far away. So, she turned 40 and we were going to her house to congratulate her and give her the present which all of us had bought together. Then, one guy who was supposed to work Friday evening, Saturday evening and Sunday evening, called in sick. It was one o’clock in the afternoon.

AH: Great...

Carina: Exactly! Had it been before this SMS-thing, we would have had to cancel the whole celebration, because then we’d been stuck on the phones hunting for substitutes. Now, we walked up to the office, sent an SMS to five people. Fifteen minutes later the problem was solved. Because [through this solution] people phone us back. And when they call us back, they have already checked with their husband, wife, or you name it, if it’s OK to work, so we get an answer right away. Otherwise, when we call, they have to check with people, and we end up sitting here late, waiting for people to call us back... It saves a lot of time. [...] I see this as a working-climate issue.

Ednah: I had probably been burned-out without this programme.

[laughter]

[...]

AH: How was this project presented? When you speak about the project, you talk about it as a working-climate issue, but how was it presented at the information meeting [where the managers were invited to participate in the pilot project]? Was it presented as a technical project?

Carina: It was presented as ‘how we can be helped by technology’. It was not presented as a working-climate project.

AH: But it doesn’t sound as ‘now we’re implementing new technology’...?

Carina: No, but ‘how to make care more efficient with the help of technology’.

⁷ ”mCity Stockholm. Partnership for the mobile services of tomorrow – a project proposal”, dated 2001-06-14

[...]

AH: Do you belong to the group which is positive to technology?

Carina: Yes – we are not only positive to technology, but to all new projects and ideas; development. We have also participated in a health-project.

[...]

AH: ...so if it's about technology or something else it doesn't really matter?

*Carina/Ednah: No!*⁸

This excerpt illustrates how Carina and Ednah viewed mCity as a “working-climate issue”, and how the project in their opinion actually also had improved the management conditions in which they worked on a daily basis. They did not perceive the project as a technological project, rather, as a project belonging to the category “development-projects” – leading to changes for the better.

Within the marketing folders of mCity, this pilot-project has been used as an example of how the implemented tool has improved for the users: “This is just [one of] two examples of how mobile services have helped to simplify routines, minimise administration and save time and money. Resources can instead be focused on core activities, which create a greater involvement.”⁹

Technologically, the mobile application implemented in the project is fairly simple - a texting-service based on the transformation of a single e-mail to the mobile phones of groups of staff, and thus, a technology much simpler than the high-tech 3G-technology envisaged initially by the Stockholm Economic Development Agency.

This indicates two different visions of mCity as either a user-focused organization, where the needs of the users come first, leading to the implementation of “simple”, or at least already existing technology, or a high-tech initiative, which was also the case with the pilot project called “mStudent”, a project aiming at developing and testing mobile solutions for students in the Stockholm-area, in which during its first phase, the students involved used the latest Ericsson-phones and envisaged yet undeveloped mobile applications. Also, a pilot project aiming at providing tourism information

⁸ Interview with Carina and Edna, managers of a team of assistants for the handicapped, 2003-03-21, AH = Anette Hallin, interviewer

⁹ ”mCity. Improving mobile solutions”, a pamphlet developed during the spring of 2004 to market the project

through the mobile phone, the “.tourism-project”, built on this second vision of mCity as it involved building a brand new application for a new use.

One could think that the companies involved in mCity should be very positive to the idea of having the opportunity to develop high-tech solutions together with the city, but this was not always the case. In an interview with two representatives of a company involved in one of the pilot projects, Lisa and Markus¹⁰ expressed the following opinions about the mCity-project:

Lisa: In my opinion, the idea [of mCity] is very good. Many things can be done within the City, but perhaps the idea needs to be better rooted among the people working in the city. When I've been out working with implementing [our mobile application] I have heard people say 'how can they spend money on this when our wages are so low??' Somewhere the communication concerning the fact that this [the mobile applications developed and implemented within mCity] could save money and increase wages as a result is poor. But perhaps that is typical of the public sector; that the initiators of the projects are not too good at motivating it to others.

[...]

Markus: I agree. Generally speaking, there is a giant gap between the visions of the city and the reality in the organization. Out there, they're not using PC:s, they're still using abacuses! The gap between the visionaries and the reality is the most important thing when moving forward. Reality must move forward as well.¹¹

To this company, it is important that the customer is satisfied, and in this case, the customer is not only the mCity-project, but an organization within the city with quite low technical competence and standard. To implement an ICT-solution just for the sake of it is not enough, it must be used as well and the users must see the purpose with it in order for the customer to be satisfied with the company.

Supporting telecom-industry or the city-organizations?

One of the original visions with mCity was to support the telecom-sector in the tough times of recession which had struck the ICT-industry at the turn of the century, and which led to Stockholm-based telecom companies like Eriksson to lay off 3500 employees only during the spring of 2003. The Stockholm Economic Development Agency believed that one way of supporting the telecom industry would be to have the City of Stockholm act as a fore-runner in the use of mobile technology. The City, comprising a major employer in the Stockholm area, with about 50.000 employees, could certainly help the ICT-sector in times of need, both by supporting R&D and by placing orders on mobile technology to be used by the employees.

¹⁰ These are not their real names.

¹¹ The interview was carried out 2003-05-21

Another way of helping the ICT-companies was to provide business opportunities, which for example also happened through a project carried out in cooperation with the city of Riga, Estonia, and a project in Beijing, China. In both cases, the City opened doors for Swedish ICT-companies through mCity - in some cases leading directly to specific business-deals¹².

During its first year, the management of mCity was located in one of the local districts¹³ of Stockholm, Maria-Gamla stan, where the local district management became much involved in the development of the project, due to the idea that the project could be of great interest in improving the work carried out by the employees in the local district, as indicated in the interview with Carina and Ednah above. Due to a shift in the management of the local district, in January 2003 the mCity managers moved to the Stockholm Economic Development Agency for a few months, and then to the Stockholm Competence Development Fund, a fund which between 2003 and 2006 is to spend 2bSEK to increase the competence of the employees within the city and to make the city a more attractive employer.¹⁴ Here, the vision of mCity supporting the municipal organizations grew strong, because in order to follow the vision of the Fund, mCity – just as all other projects initiated and supported by the Fund – had to show how it was to support the different municipal organizations in the city. From the spring of 2004, only the projects envisaged by the City Departments and Special Administrations described in applications to the Fund which met the criteria specified by the Fund was supported by the mCity-project, whereas earlier, the mCity-project manager/s/ had initiated projects, sometimes inspired by companies.

Some companies expressed discontent with this, arguing that the level of ICT-knowledge and use within the city would not breed new technology and thus not support those companies working on the forefront of ICT-R&D. To them, the vision of mCity supporting telecom industry in the Stockholm region was what made mCity unique, and different from other city-managed initiatives.

¹² see for example a Consultancy Report from a Swedish consultancy agency concerning the ICT-use in the Social System of Riga Municipality, 2003-09-10

¹³ "stadsdel"

Brand or Content?

Yet another vision with mCity was the aim to use it to market Stockholm as an ICT-city. To the manager of Stockholm Economic Development Agency, who had a history of working with place-marketing and was very sensitive to the position of Stockholm in different rankings, it was of crucial importance that Stockholm was seen as "...the leading actor in these [the ICT] issues"¹⁵ in order to be able to be attractive for businesses, investors, skilled professionals etc. The vision of mCity being an important project in the marketing of Stockholm was an idea not only encompassed by the people at the Stockholm Economic Development Agency, but also by the city's International Office, whose staff in several cases used mCity in the marketing activities of Stockholm¹⁶, or Invest in Sweden Agency (ISA), who was eager to set up meetings between the project managers of mCity and visiting journalists from foreign media supporting this view. The activities arranged by ISA even took so much of the mCity managers' time during the fall of 2003, that they found it necessary to point this out at a meeting with the PR-firm of ISA, which led to an agreement of limiting the number of occasions when the project managers were requested to meet with foreign delegates of different kinds.¹⁷

To the management of mCity, though, mCity becoming a strong brand was not altogether positive, though. mCity must also have a "substance" the mCity-manager argued: "If it only becomes a brand, and you don't do anything about it, I think it will be another IT-bubble, and sooner or later someone will make it burst."¹⁸ This fear of the image of mCity growing into something larger than its content, was also the reason for why the managers in the fall of 2003 started to say no to invitations to speak about the project, and became more selective in the choice of occasions. To them, the vision of mCity being something substantial, possible to evaluate and learn from, was of great importance.

Big or small?

Other conflicting visions have concerned the size of mCity. The original intention was that mCity should initiate 5 to 10 pilot projects and develop 30 project ideas that

¹⁴ "Kompetensfonden": <http://kund.sinfo.se/inspiration/> (2005-05-11)

¹⁵ Interview with the head manager of Stockholm Economic Development Agency, 2002-09-10

¹⁶ for example at a Telecities-conference in Haag in March 2004 where a woman from the International Office presented the mCity-project

¹⁷ Notes from weekly meeting with the mCity managers, 2003-11-05

could be further developed. But when, after the project's first year, it was pointed out that "mCity" had become a brand, initiatives were taken to gather information about all the activities going on in the different town-districts and city-companies that could become part of mCity – for example at a "Day of inspiration" for all IT-managers in the City in November 2002.¹⁹ The vision here was that mCity should be an "umbrella", denoting everything concerning mobile technology within the city. Several times, the mCity management tried to have the Steering group decide whether mCity should be limited to the original, limited vision, stated in the goals of 10-15 pilot projects and 30 project ideas, or be an "umbrella", without success. The discussion always ended in a general "yes" to all suggestions.

There was also a discussion about to what extent mCity should take responsibility for the up-scaling of successful pilot-projects; a discussion which was most intense during the spring of 2003 when the pilot projects within the care sector led to the contracting of a consultancy firm to do a general analysis of the need for ICT-tools within the whole care sector in the city. The question raised was who should take over the report this firm produced and continue the work; the mCity managers or the IT-department? In the end, neither of these two actors did, but a project was initiated within the Competence Development Fund, working with these issues and leading to the tendering of texting services for the whole city, not only for the care sector.

Understanding the excess of visions

As the mCity organization changed several times during the first three years, leading to changes in physical location for the mCity management, changes regarding who were members in the Steering group, and who were chairing it, and in changes in the financial structure of mCity, no answers were given to the four questions listed above. The Steering group did not agree about a single Vision, and no single actor had the authority to make a final decision about this. Therefore, all the different visions discussed above coexisted throughout the studied period – from January of 2002 until July of 2004. Different actors involved in the project argued for the different visions, sometimes expressing discontent with the visions of the other actors, but still not

¹⁸ Interview with the mCity manager, 2002-11-06

¹⁹ see e-mail to the mCity manager, 2002-11-21, subject: "Inspirationsdag 25/11", and my notes from the day

changing their own vision. When looking at the mCity proposal written by the mCity manager in June, 2002 quoted above, it is obvious that the visions all have their grounds there. But why did the visions not merge into one as time went by? I will seek the answer by turning to project theory, mCity being intended as a temporary project.

mCity as a project

Throughout history, projects have been launched for the purpose of realizing ideas. (Anell and Wilson 2002) Projects, being temporary organizations rather than tools, (Packendorff 1995) are attractive because they are associated with both controllability and unpredictability, providing the possibility of delimitation in time, task, and actors involved. (Sahlin-Andersson 2002) There are four basic concepts for a temporary organization around which it is organized: time, task, team and transition. (Lundin and Söderholm 1995) Usually, projects follow the following steps:

- 1) Project selection: the client defines the project by defining the goal.
- 2) Project execution: the project manager realizes the objectives of the assignment.
- 3) Project Assessment: the final results are compared with the original goals and intentions - usually this evaluation is carried out by the client who has set the goal. (Engwall 2002)

Traditionally, project management literature has argued that: “Without a clear definition of a task to be fulfilled and an explicitly defined time limitation, success as it is generally defined could hardly be expected”. (Anell and Wilson 2002) (p182) From a project-theory perspective, it is thus obvious that the goal of mCity, as described in the previous section, was not very specific. What was meant by “project ideas”? Did the ideas involve high tech or existing technology? To what extent and how should the user’s perspective be taken into account? What was meant by “implemented”; implemented on a small scale or on a large scale?

Judging from this, the mCity project should be regarded a failure – perhaps a “boondoggle”, i.e.”a work of little or no practical value”. (Anell and Wilson 2002) (p181) Whereas a project has clearly specified goals, a time period set for achieving the goals, a team commissioned to achieve the goals, someone clearly in charge, a budget, review mechanisms, a boondoggle has a vague budget, no time-limit,

anticipated but not specified results, nebulous leadership and organization. The meetings of the people within a boondoggle discuss progress in general terms and no controls are made. (Anell and Wilson 2002) It is obvious that the term “boondoggle” is a derogative word, used for organizations which do not produce results which other actors expect from them. But as mCity had a budget, a time-limit, active leadership and organization, the changes in budget, time-limit, leadership, organization and results is hardly enough to call it a boondoggle. In recent project management research, it has also been pointed out that project goals often do change over time, (Blomberg 1998) and that it is a myth that a project can have clear goals from the beginning. (Engwall 2002) It has also been pointed out that there are “fuzzy projects”, i.e. projects involving the implementation of open and general-purpose technologies which are introduced in organizations in order to trigger changes in work procedures and structures. Thus, the project goals cannot be specified on a detailed level on the planning stage, but are developed in interaction between actors during the project implementation. A large number of people are affected and must cooperate, therefore a “fuzzy project” usually has a vague project organization with few people engaged full-time.(Linderoth 2002) Thus, according to project theory, a temporary organization must not have one specified Vision when it start, this will be defined as the work gets going. Still, project theory support the idea of a singular Vision being important at least towards the end of the project, as this is necessary to depart from when evaluating the project, a step of the project process usually carried out by the client of the project. (Engwall 2002)

But who is the client of mCity? Even though the Stockholm Economic Development Agency was the initiator of the mCity-project, the largest financial support to the project came from the central IT-department at the City of Stockholm’s Executive Office. The local district of Maria-Gamla stan supported mCity with resources of staff, and different telecom companies gave support to different pilot projects, by for example providing good deals on mobile phones, or on mobile subscriptions. Throughout, the project remained a co-operation between the different actors, and no single actor can be seen as the client of the project. Therefore, no evaluation was carried out during the fall of 2003, the months before the project was supposed to wrap up – in fact, a closing down of the project wasn’t even discussed, despite mCity

being organized as a temporary organization. It just continued. Thus, project theory does not provide us with the full framework of understanding the different visions.

The creation of an Empty Space

As described above, mCity rapidly gained the interest of a large number of people who for different reasons were interested in participating, and using the project in different ways. For the companies involved, the City of Stockholm was an important client with a large potential as the level of ICT-implementation is low and the ICT-tools generally are undeveloped, compared to clients within industry. Also, the possibility of using the City of Stockholm, the country's largest municipality, as a reference client, at least made some of the smaller companies willing to participate on generous terms. To the actors from academia, the mCity-project offered interesting empirical material and a setting good for students interested in testing and developing ICT:s, and for organizations within the municipality, mCity provided the possibility to develop new work process improving tools – tools which at least in some cases would not be implemented otherwise, due to limited financial means. This way, mCity enrolled a large number of spokespeople who were interested in supporting and sustaining the project. Being interested in the project for different reasons, the actors developed different visions about mCity, but none of these gained higher status than any one else. Still, they worked together, a fact suggesting that they agreed on something – a least common denominator.

The least common denominator in mCity is its name – “mCity”, which is open to several interpretations such as the mobile city, the city where people are mobile, the city where mobile technology is used, etc. To abbreviate “mobile” or “mobility” into “m” and put it in front of a noun builds on a tradition started by the abbreviation of “atomic bomb” into “a-bomb” and continued by for example “e-mail” (electronic mail). Not only does the acronym stand as an adjective explaining the following noun, but there is also a trend of using it for many things related to the Internet, and today, several words are modelled in the same way. A quick search at the Internet provides a few examples: eBay, eTrade, eMuseum, eMedicine, eInclusion, eCards, eLoan, ePals, eLearning, eMusic, eNature, eGold, eStrategy/mStrategy, eCommerce/ mCommerce, eGovernment/ mGovern-ment etc. It has been observed that the use of these acronyms

flourish, especially in marketing²⁰, probably because marketers believe in the images they create; images of technology and modernity, images of products and services at the edge of the latest ideas and discoveries. The presumption is that the latest and the most modern is what is best, according to our Western belief in linear evolution. The “mCity” can thus for example be the modern city. Today, when the difference between traditional information technology and communication technology is diminishing, there are indications that “e” is being replaced by “m”, perhaps as an attempt to move away from the more technically denoting “e” - electronic” - to “m”, meaning “mobile”, but not necessarily referring to technology.²¹

“mCity” could also lead to associations on “mobility”. Before the age of mobile technology, to be “mobile” denoted someone or something that could easily be moved physically. The perpetuum mobile (the machine that keeps on running without the addition of energy), the mob (the unpredictably moving crowd), the automobile (the car), the mobile home (caravans for permanent living) and to mobilize (to summon) are examples of how the Latin stem (mobilis) has been used to denote mobility in different ways. With the development of mobile radio communication and the introduction of the cell-phone, or the “mobile phone”, the word “mobile” has received new meanings. “Mobility” today, thus implies both physical movement of people and things, and the interaction of people without physical movement, through ICT-devices. Through the usage of “mobile technologies” people become mobile in that they can go wherever they want and still have access to any information they want and the possibilities of communicating with whom they want at any time. Not only is the gap between time and place comprised or reduced (Urry 2000), but “mCity” as the “city of mobile technology” is also a city of high-tech, i.e. modernity.

To be “mobile” is often regarded as something positive. The free movement of people, goods and labour, regardless of boundaries and borders, is an important idea within the EU, realized through the Schengen-agreement, and it is thought to be of vital importance of the development for the European economy. On the level of the individual, the idea of travel, the meeting of new cultures, ideas and values, is always

²⁰ <http://www.nada.kth.se/dataterm/rek.html#a46>, 2004-08-09

²¹ see for example the conference, “From e-government to m-government”: <http://www.icmg.mgovernment.org/euro.html>, 2005-05-09

thought to broaden peoples' personalities, minds and understanding of others. "Mobility" is also regarded as a human right; even though you are physically handicapped or old, you should have equal opportunities of moving around and of going where you want. The creation of "mCity" as "the city of mobilities" can thus be interpreted the creation of a city accessible to everyone, an interpretation matching the idea behind the pre-study carried out in an early stage of mCity of how to improve the life for the handicapped through mobile technology²², or in the later stage in the traffic-surveillance pilot project.

These are just a few of the associations possible from the name of the project, thus being quite vague. It was the very vagueness of "mCity" and the possibility of interpreting its name in different ways which lead to an "empty space", created in between the different visions. The "empty space" made it possible for the different actors to interpret the project in ways which suited them, filling it with content and meaning through an associative and creative process. This ambiguity could actually explain why so many different stakeholders have supported the project. (Engwall 2002)

Does this mean that the actors have not spoken to each other about mCity? On the contrary. Even though no common and singular Vision has been agreed upon by the actors involved, the creation of the empty space is still the result of a dialogic process of meaning production. To 'make sense' of things is not only a passive incorporation of the outside, but an active re-organizing, re-writing and re-formulating of it, "sensemaking is about authoring as well as reading". (Weick 1995) In this process, language plays a crucial role through its ability to transmit meaning, operating as a representational system, being "...the privileged medium in which we 'make sense' of things, in which meaning is produced and exchanged", (Hall 1997) and as such, language is not only a system of signs, or abstract grammatical categories, but ideologically saturated, intertwined with world views, opinions and ideas. (Bakhtin 1981) Thus, "meaning" is the effect of an interaction between actors involved in dialogue with each other.

In dialogue, people always place themselves in relation to what is said, relating it to their “apperceptive background [...] which is not a linguistic background but rather one composed of specific objects and emotional expressions”, (Bakhtin 1981 p.281) filling that which is said with various content from their own associations and beliefs. In this way, the actors of mCity have created their vision of “mCity” depending on their background, previous experiences and present goals. The Stockholm Economic Development Agency, having the task of branding and marketing Stockholm and of supporting Stockholm-based businesses, persisted in viewing mCity as an organization built to support this while the IT-department at the City’s Executive Office, being responsible for the ICT:s within the municipal organization, saw mCity as a project to develop and implement mobile solutions among the employees of the city.

Even though the actors involved in mCity have been committed to the same organization, but the dialogue they have been involved in has not lead to a consensus concerning the Vision of mCity. Rather, the dialogue has lead to a situation where they manage to live and work, to co-exist, side by side, while still maintaining their different visions. This kind of dialogue can be said to build on “I-it”-relationships, where the speaking-partners have been perceived as objects, rather than subjects, which would imply “I-Thou”-relationships.(Buber 1923/1970) The “I-it”-relationship becoming more and more common in today’s society, is a relationship marked by anticipation, purpose and even greed, and is therefore limited in its possibility to create dialogue. (Buber 1923/1970; Buber 1929/2002)

The actors of mCity joined the organization but did not form a community, i.e. “...the being no longer side by side but *with* one another of a multitude of persons. “ (Buber 1929/2002) p37 Rather, their relationship was more similar to those agreeing upon a contract, similar to Hobbes’ idea of the societal contract of man, as referred to by Bruno Latour and Michel Callon (Latour and Callon 1998), agreeing upon the name “mCity”, but not on its interpretation. This way, the empty space was created, both separating and unifying the actors.

²² see ”mCity.Stockholm. Bakgrund, nuläge och vision”, dated October, 2002

Concluding remarks

My intention with this paper has been to show that several visions can coexist in an organization without the organization collapsing. The case study presented here suggests that as long as there is a least common denominator, an excess of visions might be a strength, prolonging the life of the organization. From a management perspective, the excess of vision is frustrating though, and further research could give insight into how managers handle a situation like this. It has been suggested that vagueness concerning an organization can be used strategically to draw attention to its work and to actually keep the actors together (Sahlin-Andersson 1989), but how does this happen? And how is the managerial work with “expressive leadership” or “identity management” affected in an organization with an excess of visions?

These are just a few questions my study raises, questions which need answers, especially from the practitioners’ point of view. Theoretically, the idea of the empty space also needs to be developed, and in this work, my paper hopefully can provide a starting point.

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Excess, forgetfulness and the persistence of organizational allergies

Stefan Heusinkveld¹

In this essay it is argued that excess in management ideas, ironically, is fed by and maintains organizational forgetfulness. Herewith I seek to challenge a dominant and simplistic conception that considers temporarily popular organization concepts that constitute the excess solely in terms of continuous transience and develop an alternative view on the excess of ideas in the management knowledge market. As a result, this essay adopts a *ghostrider's* perspective (ten Bos, 2003) in relation to many management fashion accounts.

An abundant supply of new management ideas is presented as important knowledge to address persistent organizational problems, hereby seeking to become viewed as crucial paths to organizational success (ten Bos, 2004). Their inherent utopianism constitutes a key element for their widespread acceptance (ten Bos, 2000), but also lays the foundation for a collective rejection. As Lammers (1988) already noted, there is more continuity than the excessive turnover of new management ideas would suggest, however this 'idea excess' is believed to suffer from a lack of accumulation indicating that the wheel is continuously reinvented anew. While this notion may be, at least for some of us, noting new, I feel that, in the light of the continuous transience in management thinking, it cannot be repeated enough.

In spite of these initial observations of management ideas excess, there has been little research on the way this excess takes shape within organizations (Clark, 2004). A lack of attempts to develop a better understanding on the way the abundant stream of new concepts evolve within organization has led to the belief that knowledge consumption is still regarded as a 'poorly understood component of the organizational field' (Suddaby & Greenwood, 2001: 939) As Clark noted, the current literature provides merely analyses of print media data but 'is generally concerned not with the organizational implications of management fashions' (2004: 300). As a result, the notion of transience dominates current conceptualizations of the idea excess. In contrast to this view, theorists describing and conceptualizing the process of institutionalization indicate that under certain conditions adopted management ideas and practices may become sedimented (Berger & Luckmann, 1966; Røvik, 1996; Tolbert & Zucker, 1996) in organizations.

Thus in spite of the excessive supply of allegedly transient management ideas, some elements of it may resist the pressure for change so that 'prescriptions that have become obsolete may have become very entrenched in organizations' (Røvik, 1996: 163). This would imply that there is more persistence during an alleged concept's downturn than current theorists would suggest (see also Lammers, 1988; Clark, 2004). However the way the 'new' collides with the 'old' cannot be easily known *ex ante*, or as Watson suggests: '... the pattern that is left is rarely a neat one and it is never predictable' (1986: 47). The previous starts from the assumption that the evolution of popular management idea does not follow a single all-embracing pattern and can have unanticipated consequences.

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In addition, to further explore the relation between the excessive supply of management ideas and the persistent lack of accumulation in organizations, I start from Brunsson and Olsen's (1997) understanding of forgetfulness and draw on various accounts addressing transience and persistence in organizational practices. However, as this paper will reveal, the continuous replacement in the abundant supply of new concepts does not automatically lead to discarding old practices but the relation between 'old' and 'new' ideas is not predetermined *pre se* (Ortmann, 1995). Rather, allegedly transient ideas that are part of the excess may leave serious *allergies* that hold important and enduring implications for the future functioning of organizations.

Excess in management ideas

Various commentators indicated that, ironically, excess in management thinking is nothing new. Rather, this notion keeps being rediscovered in different periods by various commentators from different fields. For instance Joan Woodward is well known in organization studies by her typology of technical systems in relation to the characteristics of the products they produce. In addition her widely renowned work reveals that technical systems show important structural differences on aspects such as the average number of managerial levels the traits of the employees and the organizational form. At the same time, what is less known, is that she also noted that the many changes in the managerial ideas defined the shape of changes in organizations: 'Management fashion also had an important part in organizational changes. The urge to 'keep up with the Joneses' seems to be as powerful a force in industrial circles as in social life.' (Woodward, 1965: 22)

Similarly, Lawrence and Lorsch have become widely recognized for their research on contingency theory. Their studies indicates that different organizational units are responsible for different tasks and operate in distinct circumstances. As a result these units have to be organized in their own specific way to obtain an optimal result (Lammers, 1983: 152). At the same they stress in their work the importance of integration between the units by means of hierarchical coordination, procedures and liason mechanisms. Something that is edited out of the collective knowledge on this research is their observation about the excessive supply of new managerial ideas: 'The last fifty years of executive life have been filled with a multitude of important new methods and techniques for running a business. Around the turn of the century business was being urged to systematize in terms of cost accounting, production control and budgeting. Then the Scientific Management movement came in, with time and motion studies and job and workflow rationalization. About the same time a plethora of monetary incentive systems, such as the infamous Bedeaux plan came into vogue.' (Lawrence & Lorsch, 1967: 160) They go on by describing some key characteristics of the ideas that are part of this abundant flow. Specifically Lawrence and Lorsch emphasize that these idea are imbued with hygienesque expectations that may contribute to creating an utopian view (ten Bos, 2000): 'Each of these techniques seem to carry with it a trust in one of two directions: either toward greater order, systematization, routinization and predictability or toward greater openness, sharing, creativity and individual initiative.' (Lawrence & Lorsch, 1967: 161)

More recently, two well-known management gurus have touched this subject. Even though they contribute to idea excess themselves they show a severe discontent with the abundant supply of new ideas: 'But none of the management fads of the last twenty years - not management by objectives, diversification, theory Z, zero-based budgeting, value chain analysis, decentralization, quality circles, 'excellence', restructuring, portfolio management, management by walking around, matrix management, intrapreneuring, or one-minute managing - has reserved the deterioration of America's corporate competitive performance. They have only distracted managers from the real task at hand.' (Hammer and Champy 1993: 25)

The above indicates that organizations have always been repeatedly viewed victim of an abundant supply of allegedly innovative management ideas. Brunsson (1997) even (under)stated that knowledge on organizational forms cannot be particularly considered as a scarce resource (1997: 310). Then, as now, people perceive a constant and collective rejection of ideas that have been embraced only a short time before. Drawing on data about the performance of innovation projects generated in two case studies Benders & Vermeulen (2002) discuss whether the abundant supply of innovation tools is useful in organizational praxis. They state that abundance of management knowledge does not mean that problems are solved, rather it is argue that ‘...yet other tools is not the sole solution and perhaps even part of the larger problem.’ (2002: 164). This point to the observation that the persistent innovation problems offer important grounds for the emergence of new solutions and incessantly launching new tools. When this alleged novelty does not bring the changes consistent with their prescriptions, it creates space for the introduction of a surge of newer ideas and makes people readily reject their ideas-in-use. In other words idea excess entails that management ideas are easily abandoned after a short while and replaced by the next innovative vision on organizing. Unsurprisingly, these ideas are easily denoted ‘fads’ or ‘fashions’ soon after they emerge (Kieser, 1997; ten Bos, 2000), leaving an impression in which organizational knowledge continuously becomes prey to transience.

Although the management ideas excess has been noted in different periods by different commentators, it has not been until the early 1990s that this phenomenon received systematic attention from management theorists. In this, the attention for new knowledge commodities that constitute the idea excess is conceptualized as a bell-shaped pattern in which a rapid growth in popularity is quickly followed by a sharp decline. Using a marketing perspective, Huczynski (1993) stressed that, like any product, knowledge commodities go through a life-cycle mainly shaped by customer demand. He identified different stages including introduction, growth, maturity, saturation and decline. Analyzing the evolution of three management ideas Gill & Whittle (1993) came to a similar conclusion. They typified four distinct phases through which knowledge commodities tend to proceed, thereby indicating a continuous transience in the production and consumption of management knowledge. Typically in a first phase a knowledge entrepreneur transforms a general management idea into a form that will enhance its ability to appeal to a mass audience. This is often supported by successful implementations of these ideas within some prominent pioneering organizations. The birth phase is followed by a period of rapid growth in which it is received with great enthusiasm among an increasing population of managers. At the same time other knowledge suppliers also promote and seek to develop the idea into a saleable form to enhance their business. Subsequently, the commodity moves into a phase of maturity that is characterized by widespread implementations within organizations and increased standardization of consultancy methods. A phase of decline sets in when organizations experience that it cannot meet its initial expectations, is no longer regarded innovative and are confronted with new and promising solutions that are brought on the market by knowledge entrepreneurs.

Drawing on the previous accounts, Abrahamson (1996) and Abrahamson & Fairchild (1999) hypothesized three basic stages in the evolution of specific management techniques that shape the perceived excess. This starts with a dormancy phase involving a relatively long period of little attention which is followed by a quickly accelerating upsurge and, after a short peak, giving way to an irreversible downswing in popularity. Key to this pattern is that under norms of progress and rationality management ideas cannot remain in use for long (1996: 257). As a result Abrahamson defined these management fashions as transitory phenomena. Unlike Abrahamson’s account that distinct from aesthetic forms, Kieser (1997) offers an overview of different sociological theories of fashion in clothing, i.e. trickle-down, collective selection and marionette theories, and shows that these can provide complementing explana-

tions for the recurrent bell-shaped curves in the popularity of management ideas thereby suggesting that knowledge suppliers and consumers seek to constantly abandon the old for the new. Providing a field-level analysis of the system of production and consumption of management knowledge, Suddaby & Greenwood (2001) present the commodification of management knowledge as a cyclical and institutionalized process between different knowledge market actors. These actor's interaction continuously induces recurrent patterns of knowledge creation, legitimation and consumption. Congruent to the view of earlier accounts they argue that converting management knowledge into a commoditized form induces the need for new commodities resulting in transient cycles in the attention for management knowledge.

The common held thesis that the attention for management knowledge commodities abundantly produced by knowledge suppliers resembles a bell-shaped curve has been empirically corroborated by various studies (Pascale, 1990; Carson et al., 1999; Jones & Thwaites, 2000). Most of these studies, however, base themselves only on analyses of print media data and provide little clues about the consumption side of the knowledge market (Clark, 2001; 2004). The research, often using bibliographic databases, revealed the expected short lived, bell-shaped patterns but also found notable differences in impact between distinct communities of knowledge entrepreneurs. For instance Benders & van Bijsterveld (1999) were able to show that the shape of discourse intensity about Lean Production (LP) was characterized by a sinusoid wave during the 1990s. However, as indicated by media traces, LP became particularly popular in Germany while in many other countries the concept was hardly discussed. Also various professional groups may differ significantly in the extent and way a commodity is received (Heusinkveld & Benders, 2001). Finally, studies of print media found important variations in the evolution of different commodities (Braam, Heusinkveld & Benders, 2002). It is therefore that some theorists argue that the life-span of commodities tend to shorten and their intensity is getting higher (Pascale, 1990; Kieser, 1997; Carson et al., 1999).

Fashion theorists maintain the idea that organizations continuously abandon concepts after a short in favor of new ideas thereby providing a fertile contest to ideas excess (Gill & Whittle, 1993; Huczynski, 1993; Abrahamson, 1996). In this view that dominates current management fashion literature, it is generally assumed that a concept's up- and downswing in discourse strongly relates to its usage in praxis. This image is reinforced when media often tend to uphold the suggestion that soon after their introduction, concepts not only become extensively debated but also widely associated with changes in organizations. In their effort to substantiate this co-evolution proposition, Abrahamson (1996) and Abrahamson & Fairchild (1999) use survey data on QC usage in the US and compared it with the intensity of QC discourse in the print media. They reported that the increase in articles on QC in the US during the early 1980s coincided with evidence adoption of the concept among a large number of US firms. In the same way they found indications that the downswing in discourse during the mid-1980s was paralleled by the firms' collective abandonment of QC. They even hypothesized that the unfavorable tenor and downswing of discourse in the business media reinforced large-scale rejection across populations of companies (Abrahamson & Fairchild, 1999: 732).

Forgetfulness

The excessive supply of new ideas both benefits from and maintains organizational forgetfulness (Brunsson & Olsen, 1997). Organizations are flooded with allegedly new knowledge items though at the same time tend to reiterate old debates (Heusinkveld & Benders, 2001) and continue making the same elementary mistakes (Benders & Vermeulen, 2002). It is emphasized that the constant discrepancy between the utopianism in the way ideas are presented (ten Bos, 2000) and how they actually work in praxis offers inexhaustible space for the emergence of new rediscoveries. The excessive eagerness for new ideas (Ortmann, 1995) rein-

forces and finds its source in the inability to systematically understand failures and shortcomings made in the past thereby limiting the opportunities for accumulation.

Congruent to the relatively easily observable short-lived patterns in the media, theorists generally explain the recurring transient cycles in the attention for management knowledge in organizational praxis from the major differences in views before and after a commodity's implementation. The analysis of Gill & Whittle (1993) reported a continuous and collective cynicism and subsequent abandonment of concepts that have been received with enthusiasm and were widely implemented only a short time before, thereby indicating a radical shift in opinion *ex post* and *ex ante*. In support to this explanation, Abrahamson & Fairchild (1999) found that the increasing media attention for QC in the early 1980s went together by positive evaluations and high expectations about the possibility of performance improvement in the market. In contrast, the study revealed that increasing negative evaluations and a more critical attitude to the concept paralleled the downswing in media discourse on QC. It is suggested that after a period of excitement and high enthusiasm, a concept inevitably becomes increasingly criticized and loses its initial image of rationality and progress.

In line with this, ten Bos (2000) contends that disillusionment is inherent to management fashion because it is imbued with overly rationalistic principles which remains unreachable far from the real world of management practice. It is therefore that fashions are unable to fulfill the oversold expectations initially attributed to them. This points to the fact that while some of their characteristics are crucial elements for concepts' widespread acceptance within organizations, they also lay the foundation for their collective rejection in organizational praxis. Particularly the inherent characteristics associated with new ideas that play a role in generating a popular status such as simplicity (Fincham, 1995; Kieser, 1997; Røvik, 2002) and utopian promises (Furusten, 1999; ten Bos, 2000) cannot be completely realized in organizational praxis and generate new unanticipated problems (Lawler & Mohrman, 1985). Ten Bos even stresses that fashion always has an 'appointment with disappointment' (2000: 6). Such a view decreases the likelihood that the adoption of concepts will eventually lead to incorporating them as part of the firm's routines.

As a result, theorists often emphasize the transient (Abrahamson, 1996) and non-cumulative (Gill & Whittle, 1993) nature of the excessive supply of management knowledge thereby suggesting a resulting continuous erosion in organizational knowledge. Brunsson & Olsen (1997) even agree that the consequences of these transient patterns for organizational praxis can be regarded as one of its causes. Specifically, they state that the constant introduction of new ideas is fed by and increases organizational forgetfulness. Organizational forgetfulness ensures that earlier experiences do not obstruct the introductions of new concepts carrying similar problems. Not being able to recognize earlier attempts allows to continuously reiterating old knowledge and presenting it as new.

Ten Bos (2000) argues that the abundant supply of new managerial ideas may inspire managers with 'new' insights but at the same time noted that a key element that persist in management fashion is that by their inherent focus on novelty and progress it tends to obliterate the past and therefore is condemned to repeat it. He even marks that 'forgetfulness is a defining characteristic of the utopian mind' (2000: 175) indicating that the longevity of oversold management ideas in organizations is rather problematic. Take for example the field of information systems development. This field is flooded with allegedly new tools and method for organizational analysis and design. However, in spite of this supply of design knowledge, organizations continue making the same elementary mistakes. Remarkably the continuous struggle with failing information systems is unremittingly attributed to inadequate system development methods (van Bijsterveld, 1997). Despite descriptions of long-standing problems allegedly new design knowledge is repeatedly introduced, each containing substantial promises of performance improvement. Ideas excess stimulates jumping from one tool to another

thereby creating a constant discontinuity and limited opportunities for knowledge entrenchment (Zeitz et al., 1999).

Also Lammers (1988) shows a strong ambivalence with regard to these excessive stream of new management ideas. In response to one of these ideas, the 1980s bestseller *In Search of Excellence*, Lammers found that the authors used inadequate research methods and reproduced old knowledge without referring to earlier sources (Lammers, 1986). At the same time noted that the book caused that management thinking about the subject received a new impetus. He states that: 'in sum they should not have done it in this way but I am very glad they did it' (1986: 27) hereby pointing at the fact that the book contributed to the idea excess and made no contribution to management knowledge per se, but caused that management thinking about the subject received a new impetus. While he acknowledged that fashionable concepts play an important role in repeatedly drawing attention to management knowledge, he also pointed to major problems of under-utilization of existing insights.

For instance the contemporary popular ideas behind the concept of Excellent Organizations, as presented in the early eighties by Peters and Waterman have been incessantly renamed by different theorists and rediscovered as new but do not build upon previous experiences. German sociologists in the 1920s and 1930s already wrote about organizations with low degree of formalization. Also in following decades, variations on the same theme were put forward as part of ideas excess thereby indicating that similar insights have been rediscovered as new and renamed by different theorists without building on existing knowledge (see also the analysis of Kieser, 1996). He therefore argued that there is more continuity than the excessive turnover of new ideas would suggest but at the same time these suffer from a lack of accumulation (Lammers, 1988: 219). This is not only regarded a crucial issue for management scholars but also has important implications for management praxis. A permanent inability to systematically build on existing insights and experiences means that people have to reinvent what others already knew and therefore are condemned to endlessly repeating the same mistakes.

Organizational allergies

Although the excess of ideas is fed by and maintains forgetfulness, this does not mean that that these allegedly transient ideas may not leave any unanticipated problems that hold important and enduring implications for the future functioning of organizations. Current accounts make it at least doubtful that some of the ideas that are part of the excess become absorbed and routinized by organizations as main consumers of management knowledge. However, I believe this conceptualization suffers from a lack of systematic attention for a concept's sedimentation process in organizations (Røvik, 1996; Oliver, 1991). Practices are regarded sedimented when they have become perceived as a taken for granted and enduring part of organizational practice or common stock of cognitive representations of organizational members (Berger & Luckmann, 1966; Yin, 1979; Tolbert & Zucker, 1996; Zeitz et al., 1999). This means that they have moved through a process of institutionalization to become an established pattern of behavior in a community and thereby remain constantly recognized and re-enacted in the daily activities. As this paper will explain below, the realization of an idea may cause that organizations develop a persistent over-sensitivity, or allergy to specific language and become permanently immune for specific solutions. This shows that management ideas excess cannot be regarded a trivial or transitory phenomenon, but may have some unanticipated but important and enduring consequences for the future functioning of organizations.

In order to obtain a perceived relative advantage over the large amount of existing ideas, it is important for a new idea to be accompanied by major promises of performance improvements thereby creating a utopian view (ten Bos, 2000). When an idea cannot meet its

oversold promises it can limit the possibilities for future ideas. Rogers has dubbed this phenomenon as ‘innovation negativism’ (1995: 227). This entails that when an idea falls short of its expectations, this may become part of a cognitive consciousness with which all future ideas are assessed, thereby particularly leaving a strong anxiety among a group of people for specific terminology in which ideas are expressed. It is argued that the trajectories of a concept’s words cannot be easily controlled or known *ex ante* (Kelemen, 2000). For instance Zbaracki shows that during a concept’s employment, its language obtains a specific loadedness now including what organization has done. This means that elements of the initial linguistic package can be assimilated into the organization’s language system, in spite of the fact that the initial concept may no longer be in vogue. The case study of Benders (1999) shows that institutionalized elements of previous concepts played a crucial role in the organizational specific interpretation of Lean Production once this concept was introduced. So even though earlier concepts are no longer central to the managerial discourse, their traces can be maintained.

However, theorists also point to the possibility that organizational members can no longer employ the language within a specific organization because it has obtained a negative connotation. This may be a result of the crystallization of an ‘organizational allergy’. After their realization, concepts are regarded differently than before. Whereas the initial optimistic discourse is important for a concept to become widely accepted, its realization is often accompanied by new or unexpected problems (Brunsson & Olsen, 1997; DeCock & Hipkin, 1997). Being associated with heavy difficulties, conflicts or practical concerns undermines the concept’s initial attractiveness and inevitably affects the way a concept is talked about in organizations (Zbaracki, 1998; Kelemen, 2000). For instance Benders & Verlaar (2003) show that because of specific interpretations obtained in the past, the use of specific words may constitute a barrier to the acceptance of proper knowledge. In this organization the term ‘structure’ had obtained a pejorative meaning due to negative experiences with earlier ideas. When this has become a part of the company’s institutionalized pattern of thought and action, it worked out as an insurmountable barrier. It is therefore that Benders & Verlaar (2003) noted that future initiatives had to avoid using this term as it may inevitably lead to an overstrained situation.

Also the study of Heusinkveld (2004) observed that a concept’s realization may contaminate the organization’s linguistic package thereby creating an over-sensitivity to specific terms. One of the respondents nicely illustrated this situation: ‘That dissention was expressed in real rows with the works council and resulted in a overstrained situation on the shopfloor [...] Because of this, the term Nova has become taboo in this organization. Members got a large hang-over from the implementation of this project.’ The introduction and realization of previous concepts had caused what I call *organizational immunization* to old solutions. When specific traces have become controversial or are regarded unproven it affects their future reputation in an organization and hampers the transfer of these traces to new solutions. So a concept’s unsuccessful realization may block further application and herewith becomes an important barrier in the viability of traces associated with it. In such a case, people easily seize the opportunity to reverse organizational manifestations that occurred under that banner. So the language of allegedly transient concepts that are part of the excessive supply of ideas may remain and play a conditional role in future change initiatives within organizations.

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THE INEFFICIENCIES AND EXCESS'S OF ENTERPRISE RESOURCE PLANNING SYSTEMS (ERP)

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Abstract

Research into Enterprises Resource Planning Systems (ERP) has shown a persistent pattern of varying failures across a range of organisations in a wide variety of industries.. Despite such disappointing results the uptake of ERP's in both large and small enterprises have been phenomenal over the past decade. For example the US federal government alone is expected to spend \$7.7 billion on ERP's by 2009. Corporations continue to buy ERP because they believe it will yield competitive advantage by increased efficiency or because they perceive the pressures of competitive necessity leave them with no options. The reasons for such a persistent pattern of disappointing results in ERP implementations are not forthcoming due to biases in the stance taken. Complex large scale ERP implementations involve social, technical and political elements. Yet the literature at the empirical level of analysis has a far narrower often single discipline focus. The case material while more holistic in analysis has to date given little insight into why ERP's fail. Dominant positivist research models are insufficient in that the focus is on surface elements (i.e. empirical data from one perspective – usually functionalist) and cannot account for the intricacy of why ERP's fail. So there is a paradox in that most modern corporations which pursue efficiency in order to produce excess goods and services are in fact victims of the excess which is promised by ERP yet which so far has delivered so little. This paper argues for a broader research perspective that should draw from existing models, methodologies and philosophies in order to establish a more holistic view of the reasons why ERP systems fail. Such a broader research agenda would allow examination of the wider socio-political factors and economic interests which presently shape the way ERP is conceptualised analysed and reported. The paper begins with an introduction into the problem of ERP failure and the current state of affairs in Information Systems Research. A key argument is then made for a more diverse approach to problems of this nature in Information Systems research that draws from a variety of perspectives. The paper concludes with the implications of this for Information Systems Research.

Introduction

Research into Enterprises Resource Planning Systems (ERP) has shown a persistent pattern of varying failures across a range of organisations in a wide variety of industries. For example ERP system vendors such as Baan (now taken over by SSA Global), PeopleSoft and SAP calculate that customers spend between three and seven times more money on ERP implementation and associated services compared to the initial purchase of the software license (Scheer and Habermann 2000).

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Shehab, et al (2004), cite a study where more than 70 per cent of Fortune 1000 companies have either begun the implementation of an ERP system or plan to do so in the next few years. This is indicative of the popularity of ERP systems. These systems do offer advantages to organisations in that they “attempt to integrate all department and functions across a company onto a single computer system that can serve all those different departments’ particular needs” (Businessranks 2005).

Failures of ERP system implementations have been known to cause business to lose millions of dollars in lost shareholder wealth, business confidence or in the worst case scenario bankruptcy. Davenport (1998) suggests that FoxMeyer, a drug company in the United States implementation of their ERP system helped drive it into bankruptcy. Davenport (1998) also relate the story that Dow Chemical spent seven years and close to half a billion dollars implementing a mainframe-based enterprise system only to decide to start over again on a client-server version.

Wood and Caldas (2000) characterised the goals of ERP systems and questioned whether the current interest in ERP in the business community is justified more by political reasons than by sound managerial reasoning. Indeed, these authors found low levels of satisfaction in their survey of firms having implemented ERP systems with 45 per cent of firms perceiving no improvements whatever from implementation and 43 per cent claiming that no cycle reduction had been obtained. (Wood and Caldas, 2000)

(Swan et al., 1999) suggest that the high failure rate of ERP implementations can be attributed to the difference in interests between organizations who desire unique business solutions and ERP vendors who supply a generic solution applicable to a broad market.

Despite such disappointing results the uptake of ERP’s in both large and small enterprises have been phenomenal over the past decade. For example the US federal government alone is expected to spend \$7.7 billion on ERP’s by 2009 (IT facts 2005). Corporations continue to buy ERP because they believe it will yield competitive advantage by increased efficiency or because they perceive the pressures of competitive necessity leave them with no options. In this paper we suggest that the reasons for such a persistent pattern of disappointing results in ERP implementations are not forthcoming due to biases in the stance taken. For example, Houghton et al (2004) suggest that to date research conducted into ERP implementations appears to be heavily positivist.

Study One – literature review of current research approaches

The authors believe that research into ERP implementations are heavily positivists and base this view on a literature review of the use of key words associated with a positivist outlook. This is because most studies don’t appear to evaluate the ERP system in terms of business outcomes. Houghton et al (2004) explores this concerning element from the literature. A random sample of research articles published in major peer reviewed journals throughout the world as well as major conference work in the area found that 32 out of the 40 sampled can be defined as classical positivist studies. However, the most dominant element of positivism found in the literature samples was the technological determinist stream (78%). This stream

is based on the underlying principle that technology is a “force” that drives social change (Young, 2003). Put more simply, technological determinism is a theory that suggests technology as a force makes change happen and influences the world in which we live. This concept is comparable to the technology as an enabler concept or that ERP software is the “force” of social change or the driving “instrument” for change. Jacobs (2001) argues that this view discusses technology as being autonomous and that the theory describes a reality where technology influences us and we don’t influence technology. In social terms, society reacts to changes in technology as opposed to society creating technology for its use. Such a determinist view of technology is argued to exist inside the value set that informs ERP software to the extent where it even makes assumptions about how work is to be carried out. Goles and Hirshhiem (2000) suggest that determinism is a positivist assumption that humans are a product of the environment in which they live. In technology terms this would mean that humans do not shape the technology they use but are shaped by the technology they use. If this is the case, researchers should be aware of this and examine it critically so as to assess the possible social impact of such an assumption. From this assumption the first level of the analysis of the literature was extracted as the following question:

1. Does ERP research outwardly display technologically determinist qualities OR is the solution seen as a solution, unquestionably (as in Jacob’s definitions of “technological determinism”)?

The point of this question is to uncover the possibility that ERP research suggests that no problems exist with the ERP software. This would mean that the problem is external to the technology and lies with some other element, possibly social or even some kind of improper implementation. If this kind of thinking is uncovered then the research to date could be argued to be overly deterministic. That is, the technology is the autonomous force that needs to be adhered to by the social system as opposed to the social system adjusting the technology on a needs basis (the social construction of technology).

The main theme of the study was centered on the concept of the technology being an infallible solution or a technological biased point of view in the research to date. If this point is found, then it can be argued that determinism exists in ERP based research and that such research might possibly be considered non-deterministic, which leads to the next question:

2. Does the paper represent a bias towards any particular research paradigm?

This question aims to uncover, from the literature, how ERP based research might be biased in philosophical and paradigmatic orientation. The main focus of this question was to understand the levels of assumption inside the research to uncover the possibility of bias toward a particular school of thought. When considering this, the other main area of interest is the language used in the paper. To reduce the possibility of bias, use was made of the Goles and Hirshhiem (2000) definitions of determinism and further the definitions provided in the seminal text by Burrell and Morgan (1979). The aim of such an exercise was to reduce the possibility of opinion or bias creeping into the research. Foucault (1972,1973) presented a theory of power relations and suggests that situations humans live in and exist in are informed by texts that shape

the discourse that comes from such situations. In other words as Harvey (1998) puts it:

His aim is to explain how situations determine language and, consequently how language forms and maintains situations.

The use of language and the way in which language is used to develop models of “reality” as argued through the work of Foucault (1972,1973) is applied to this research of the literature to see what kind of “reality” is presented. The authors explicitly looked at the use of language that represents functionalist thought, according the definitions from the above-mentioned texts. The main point here was to understand what kind of research paradigm each individual paper presented. If it was found to be functionalist in orientation it would be so because of the language used. Out of each paper key phrases are extracted to represent the point.

3. What kind of reality does the literature represent?

This question is based on 2 and from this, a picture should emerge as to what researchers hold as their model of reality or at the very least how ERP research is presented in the literature. However, this “reality” is only in terms of what can be uncovered through the assumptions made in questions 1 and 2. If a single paper was biased and all others aren’t – then the authors have made an unfair generalization. However, if the researchers find 50 or 100 instances of the same thinking in many papers from a sample of publications then researchers have to answer the questions of bias in their research and take on board the implications of such issues.

How the test was conducted

Given that the main output of research is publications, the literature available on SAP was tested through four main scientific search engine sources, they were (1.)Proquest Computing, (2.) Kluwer, (3.) Science direct and (4.) Association for Computing Machinery (ACM). The term “SAP” was keyed into the search engine, using a full text and citation search each time. SAP was used in this instance because it is ERP software with the greatest market penetration (estimated to be 50% at the time of writing. The years 1998-2004 were studied as being relevant with no additional text criteria. Only papers that talk about SAP or have the SAP theme were examined. This means that papers that discuss SAP as an aside were ignored. Papers that are either about SAP implementations or SAP developments or whatever are presented in the findings.

Evaluating the test questions

Each question from the above list of three was used to evaluate the situation at hand. Jacobs (2001) view on technological determinism was used to evaluate question 1. That is every paper that had technological determinist qualities had to match Jacobs (2001) description of it. To evaluate question 2. Goles and Hirschhiem (2000) present the assumption (based on Johnston and Duberley’s (2000) work), that functionalist thought is one that revolves around the idea of “laws” establishing cause and effect and that there is only one reality. If this kind of thinking was included in the research

then it was determined to be functionalist. This was evaluated by looking at the text to see the way in which SAP is talked about. In each case the paper was examined to see what kind of language was used and if it was maintaining a “status quo” of some sort. As a means of summary out of the sampled years the literature was examined as for the overwhelming features over the whole body. Checkland and Holwell (1998) terms the “frameworks of ideas” (common perceptions or concepts) that the search uncovered. A table that summarizes the research process is outlined below (Table 1):

Question	Evaluation Technique	Search Procedure
1. Does SAP research outwardly display technologically determinist qualities?	Compare papers to Jacobs (2001) definition to see what orientation it has	Proquest, Kluwer, Science Direct random sample of journals published with “SAP” keyword from 1998-2004
2. Does the paper represent a bias towards any particular research paradigm?	Use the Goles and Hirschhiem (2000) and Johnston and Duberley (2000) definition of functionalism to see what orientation it has. Researchers looked at the words used and make a judgment based on above definition. (see example table below for some examples)	As above
3. What kind of reality does the literature represent?	Exam the most common frameworks or concepts used in the literature and see what is revealed	As above

Table 1 Methodology of the Study

For question 2 the research paradigm was based on what Goles and Hirshhiem (2000) consider to be the most dominant, that of functionalism. The authors realize that three other paradigms are discussed in the Checkland and Holwell (1998) paper but for the purposes of argument and discussion only the dominant paradigm is used in the analysis. In order to avoid possible confusion the authors have shown some examples of how papers were found to be of the dominant (functionalist/positivist) orientation.

Paper	Quote
Perriera (1999)	"A second prescription which emerges from the analysis is that it is preferable to modify the business processes of the organization to fit the capabilities provided by the SAP system, rather than modify the SAP system to fit the reengineered business processes of the organization."
Gulledge and Sommer (2004)	" As demonstrated in the test of our hypothesis", "We test our hypothesis by performing an analysis of two US NAVY SAP implementations", "all efforts were made by senior leadership to implement a properly aligned SAP solution"
Kimms (2003)	"We need to prove formally that the presented network is equivalent to the standardization problem. We do this by induction"

Table 2 Examples of Understanding functionalism from Literature

The data is based on the complete set from January 1998-June 2004, with all papers analysed. Those papers that didn't pass the test were included in the analysis so an even model of the research could be presented. Each paper was rated out of 100 with both questions being worth 50 each. At the end of the analysis the authors examined the total percentage of the literature sampled to see what amount was by definition to be technologically determinist and functionalist. If any paper met the definition of either question 1 or 2 from table 1, is it said to be in that category. The researchers then used this data and the phrase sample provided to present what kind of reality dominated the research and to draw out some implications for discussion in the conclusion section of the paper. The result of this work is now presented.

Results

The search retrieved 40 relevant articles from the search engine and these are listed in order of retrieval in the appendix. Of those sampled, approximately 32 or 78% of the articles met the definition of Technological Determinism according to Jacobs (2001). This meant that 78% of the articles did not question SAP or made statements similar to those shown in table 3.

Comment 1.	Complete business processes with consistent quantity and value flows...
Comment 2.	Businesses must continually check and improve their internal operations
Comment 3.	Quality is no longer "checked" but produced
Comment 4.	During software production, quality assurance is integrated into the processes, from design through development and release to maintenance of installed system.

Table 3 Examples of comments from the text of Shanmugam et al (2000)

Table 3 shows some of the more common statements made by authors. However the most common overlooked area by the texts was the overt nature of the determinism in SAP or the way business processes have to fit into SAP. Some investigated this as a possible problem (for example see Skok and Legge (2001), Kawalek and Wood-Harper (2002) and Avital and Vanderbosh (2001). However, in the 78% of cases where it was found this was not discussed as even an issue.

At first glance the raw figures tell a different story, 58% of the articles represented a positivist methodology whilst the rest 42% had a slightly different presentation. This seems odd when 78% match the technological determinist framework, so a further investigation revealed something else that was interesting. 12 articles were found to present SAP in a determinist light but then go onto report findings in a more interpretive mode, such as a case study or another type of interpretive research methodology. When the authors returned to re-examine the findings a closer look revealed that the majority of these case studies defaulted back to the determinist position but manipulated the case study methodology to represent one side of the implementation rather than a value free interpretive study or a other type of qualitative research approach. This problem suggests that the other 12 articles (or 20%) were still functionalist and the finding of determinism leads to the conclusion that they could possibly be nothing more than partially disguised advertising for the SAP product. In essence, the researchers in this regard are coming from a fixed frame of reference that SAP is good and it's other issues that need to be found because the ERP cannot be to blame, despite the case study methodology used. Consider the following examples:

“Because the implementation of a cross-functional ES results in major organizational changes, our model is based on forces influencing change.” (Scott and Vessey, 2002).

“This approach fulfilled ASAP’s [SAP Development Methodology] need for the creation of a business impact map as part of the ERP implementation change management process. We conjecture that BSPA [Alternative development Methodology suggested by Panagoitidis and Edwards] could play a similar role in any evolutionary systems development methodology.” (Panagoitidis and Edwards, 2001).

“The goals of the SAP University Alliance Program are to increase the number of students graduating from colleges and universities that are “job ready” with SAP knowledge, and to gain a presence in college and university curricula.” (Corbitt and Mensching, 2000)

“By creating a centralized database and standardizing corporate data flow, ERP can make changes and efficiencies take root in a firm ... Even with such advances project managers often wonder ‘what are the ingredients of successful system implementation?’” (Manadal and Gunasekeran, 2003).

Statements like this show heavy bias in the work and the almost predetermination of the results before the situation can be properly observed. Even as a form of action research such comments might be considered predetermined. The findings were not altered, but for the sake of balance and consistency, papers like the one above are categorized as being Technologically Determinist but using so-called exploratory methods or case methods to explore that kind of determinist reality. This leaves such papers as questionable as to their orientation but it is strongly evident that they are based in a kind of closet functionalism.

Study Two – Employee engagement of ERP software in a large government owner corporation

This study investigated the response of employees to an ERP systems implementation in the supply chain work environment of a large corporation. In particular this paper examines a case study of a SAP implementation. Using a case study approach and extensive interviews the researchers found that a SAP system was rigid, highly structured and ignored by elements of the social system. Moreover, it focused on technical prowess of the SAP solution at the apparent expense of supporting real world activity. Such a focus allowed the spontaneous creation of “feral systems” that involved ad-hoc processes used to get around the SAP solution, in order to complete important work. The study raises concerns with inefficiencies within such enterprise wide systems and seriously questions the ability of SAP systems in their support of real world activity.

The research found several instances of people bypassing the implemented package to use their own devices, within the context of the social environment, to get around the system at the operations level. That is, the ERP implementation was there but it was ignored for a kind of “skunk work” (Tushman and O’Reilly, 1999) activity that involved employees developing systems deemed to be relevant to their own area of work but not condoned by management. Such systems are referred to as “feral systems” in this study.

The main purpose of this second study was to first understand how the supply chain operated and then to create an effective model for managing the supply chain operations. From the outset the project was inherently complex in that it aimed, rather ambitiously to understand the notions of supply chain and how it could possibly be managed. The investigation began with use of various techniques to uncover how to manage and understand the supply chain. One of the more qualitative modes of operation used was the Huberman and Miles (1994) developed Nud*st “thematic

analysis” approach. They developed this to find the common themes and patterns in qualitative research data for the purposes of understanding and making sense of research situations. In this case it was used from a critical realist (Mingers, 2003) perspective to try and critique the mode of operation. The perspectives is critical realism because it is trying firstly to explain observed phenomena and understand the underlying elements or generative mechanisms of the supply chain then it aims to develop a theory to engage into the situation, for the management of it. The researchers recognise that they are trying to understand a phenomenon and the structure underneath it in order to create an epistemology of it, to later evaluate and learn from. In order to get to the point where there was a model, there needed to first be some analysis applied.

After an iteration of Nud*st very little thematic content was recognised. However, a group of the research team decided to ignore the coding of Nud*st and allow the common elements emerge through a rigorous 350 page review of the entire transcript collection. This process led to some interesting frameworks emerging from literature. The data indicated in many different ways that several key staff members weren’t using the SAP program in the process of supply chain management operations; despite the fact that it was available for them to use. However, the data should be viewed as tentatively as possible as it is part of a developing research program. The data should at least provide insights from which lessons can be drawn and discussions made. Consider some of the following quotes from a high level official in the supply chain system:

“... we’ve got a diary that tracks all material usage on a daily basis so it will have on there how many rails we unloaded today so Bruce will come in write in the diary in what section, how many lengths of rail he does. That diary then goes into a database internally within here and onto a spreadsheet...”

Comments like the following are quite common where the technology at hand is not useful for operations environment. Consider this statement from an operations level manager :

“Interviewee: You can trust the system and dot all you eyes and cross all your T’s, and I know the logistics officers do that.

Interviewer: How do you know?

Interviewee: I just know.

Interviewer: Are there any people you don’t deal with but would like to, to get the job done. People you think might be of some help.

Interviewee: Sometimes any, with [supply company⁴], but I should be talking to [the corporation] and they talk to [supply company]. I need to know. I could say I want 1000 tonnes this month. But if I could talk to them they might say 900 and I might be happy with that. That is where sometimes you need to short-circuit the system to get a good understanding each others requirements and not be pig headed.”

⁴ The corporations name has been removed to allow for anonymity

At this point the researchers noticed an emerging pattern with two major areas of interest. The areas where SAP would be most useful in routine situations (or structured situations) it clearly was helping in the not so routine environment of the supply chain. Consider another example:

“Interviewee: Yeah and I use that [SAP] to track like the inventory and now I’ve also got it to track my work orders and my line items and I can So that’s inventory coming in.....

Interviewer: Does any of this go back into SAP?

Interviewee: Yes through the database reports, so off the database we’ll run a report...

Interviewer: The database you developed?

Interviewee: Yep Yep:”

This example was a more common occurrence in the text. Several key members of the supply chain spoke of different elements of the technology and complained for various reasons with similar answers. Two key elements emerged from the readings that the researchers found to be interesting yet not formed or emerging as formal patterns that Nud*st couldn’t recognise.

“The supply chain operations seemed to be working by itself outside the general scope of management. That is, the chain itself ran, but only a few key operational people knew how.” The example above showed how a key operations manager frequently short-circuited the system to get the work completed. The text revealed that several people know the system and work around it in order to get the job done.

Other examples taken from the text include several key uses of technology in order to get around the “system” or the establishment. Some include: a fax machine to send work orders, the use of a diary to keep track of what’s happening, the use of email to communicate work directives, spreadsheets for individual use that do not tie into organisational information systems and several cases of reorganising work to circumvent established principles.

Moreover, the research is beginning to show that the key elements of the supply chain forged ahead and short-circuited the system frequently to get work done. This means in essence that the way work was done or how work was performed and therefore it was created by the members of the supply chain to the extent that they had well organised procedures for operations based on their own technology and their own ideals. SAP though appeared not to meet the needs of the workers in this regard and appeared to be inadequate for the task.

The use of spreadsheet was mentioned quite often and the examples shown above are common in the supply chain. The use of spreadsheets and other databases to feed back into SAP seriously question the “enterprise wide” nature of the solution. SAP appears in this case at least to have a level of inefficiency touched on in Al-Mashari and Al-Mudimigh (2003), in so much as it has its own standard to be adhered to rather

than flexibly fitting into existing arrangements. SAP at least appears to be concerned with storing information and one manager argued that SAP creates a lot of information to be stored but in terms of supporting real world problem solving (i.e. supply chain operations) it was not used. Therefore, it appears to store data well and retrieve data effectively but in terms of support it appears to support the control system but not the feral one.

Conclusions

The two studies outlined in this paper indicate that ERP systems such as SAP are changing organisational culture and shifting existing paradigms in organisational social systems not towards a better solution but toward the ERP solution itself. This raises several questions as to what SAP is trying to achieve. Especially as many employees are developing their own systems to either complement or replace the ERP.

Complex large scale ERP implementations involve social, technical and political elements. Yet as indicated by the example above, the literature at the empirical level of analysis has a far narrower often single discipline focus. The case material while more holistic in analysis has to date given little insight into why ERP's fail. Dominant positivist research models are insufficient in that the focus is on surface elements (i.e. empirical data from one perspective – usually functionalist) and cannot account for the intricacy of why ERP's fail. So there is a paradox in that most modern corporations which pursue efficiency in order to produce excess goods and services are in fact victims of the excess which is promised by ERP yet which so far has delivered so little.

We argue for a broader research perspective that should draw from existing models, methodologies and philosophies in order to establish a more holistic view of the reasons why ERP systems fail. For example, all the major ERP vendors have developed modules and versions of their software for various industries (e.g. PeopleSoft has developed a module for university administration). This suggests that IS researchers should study the development, use and impact of information systems at an industry level of analysis, since ERP software is specially developed for industries, not individual organizations. (Crowston K, Myers M D, 2004)

A broader research agenda into ERP evaluations would allow examination of the wider socio-political factors and economic interests which presently shape the way ERP is conceptualised analysed and reported.

The paper began with an introduction into the problem of ERP failure and the current state of affairs in Information Systems Research. A key argument was then made for a more diverse approach to problems of this nature in Information Systems research that draws from a variety of perspectives. The authors conclude that a broader view of the problem is important and that this will have implications for Information Systems Research. The example ERP implementation was for the supply chain of a large government owner corporation which in its self operates effectively because there is a great deal of tacit knowledge amongst workers who have been in the

organisation for a long period of time. Inefficiencies occur because this tacit knowledge has not been included in the implementation process.

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Escalating *mores*: Eleytherias i Thanatos

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Escalating *mores*: Eleytheria i Thanatos

Introduction



For the premodernist, a symbol is indicative of “a natural law of value reflecting a reality that appears to exist in its own right and on its own terms” (Ashley, 1997, p. 3). So, this columnar representation of the ontological procession meant that man alone could not achieve transcendence: he was but one part of an inevitable natural process; concomitantly and ostensibly, equally integral relative to others. *Man, woman, birth, death, infinity* is one symbol of ontological process. In pre-modern times, one could be secure in the fact that all of these symbols of physical and psychological states constituted ontological truth or at least stability. Not only did people know they were going to die, they also knew it was likely they were going to die sooner than later.

Modern times’ industrialisation and technology surge made this era the antithesis of premodern times. People believed they would and in fact did live longer than those who had been long forgotten. Inventions of modern times came to be symbolized, reified and even deified in modernity. *Man, woman, birth, death, infinity* was the introduction for each 1961 to 1966 episode of the North American medical drama, *Ben Casey, MD*, a television show dedicated to staging examples of how man in modernity was above all else, instrumental in exacting the will to power all that stood between him and his undeniable transcendence. And, in these supposed post-modern times (Barratt, 2004) this is still not enough as denial of death has spiralled out of control at such a speed it is now believed that death and all that would symbolize it have spun off the radar (Becker, 1997). In the context of mortality, symbolism in modernism hides the existence of a gap: the new attitude is an expressed wish for bondage of birth to infinity so as to obtain individual freedom from death.

Now, almost 40 years later, the annihilation of death has spiralled to new heights because in Western society at least, “human culture ... is ... defined by the attempt to overcome the knowledge of human mortality” (Clack, 2002, p. 61). Individualistic, egoistic denials or repression of death are acted out for the purpose of self-preservation in terms of the protection of self-concept and its mores (Solomon, Greenberg, & Pyszczynski, 1998, 2003). However, the cost of maintaining self-esteem becomes excessive in consideration of surplus powerlessness (Lerner, 1986) surplus repression (Alford, 1985; Marcuse, 1955, 1964) and surplus symbolism (Baudriallard, 1993/2002). And, in many cases mortality has been traded for immortality: “This individualism involves a centring on the self and concomitant shutting out, or even unawareness of the greater issues or concerns that transcend the self, be they religious, political, historical” (Taylor, 1991/2003, p. 14). Within

this context, awareness that death is intertwined with life is demolished: “by ignoring death we have lost our frame of life” (Sievers, 1994, p. 56).

To further explore the reasons for life’s tenuous scaffold by which individuals strive to maximize pleasure and minimize displeasure under restrictions posed by the outside world or society (Carr, 2003a-b; Freud, 1900/1988, 1917/1988, 1920/1984), we look to mutual causalities among aspects of the death instinct or *Thanatos* (Jones, 1957, p. 295) and its adversary, *Eros* through metapsychology or the synthesis of dynamics, economics, and structure that comprise Sigmund Freud’s comprehensive view of instrumental energy exchange among the super-ego, the ego, and the id (Freud, 1923/1984; Rycroft, 1968/1995). Then, through an expansionist view of the death instinct as conceptualized by Sabina Spielrein (1906/2001; 1912/1994; Bennett & Wharton, 2001) we show how death in life can be used to re-eroticize and therefore, *re-mortalize* the workplace, a posit that predates those posed by Marcuse (1955), Baudriallard (1993/2002) and Bataille (1962, 1986).

The purpose of this paper then, is to regenerate the loss of ontological meaning as a consequence of recursive instrumental gains in individual freedoms to deny death. In other words, we explore further the concept of *escalating mores* or the excesses of life within death in the summing up of the necessity for death within life. Through his extensive and much debated work on the unconscious and its instinctual constituents, Sigmund Freud is most widely known to be progenitor of death fear machinations, so we begin by discussing his related works on the topic.

The psychoanalytic symbol of life and death: Sigmund Freud

Freud’s concentration on instinctual influence on humans’ behaviours (i.e. *what did someone or something do to affect what is now done*) has resulted in criticism that his research gaps of the conscious and self-conscious inadequately recognizes one’s ontology or ‘being’ (Laing, 1960; Laplanche & Pontalis, 1967/1988; Rycroft, 1968). However, as do we, Segal (1993) disagrees by saying in effect, that being is due to doing and with the influence of others:

An objection to the concept of the death instinct which is often put forward is that it ignores the environment. This is certainly incorrect, since the fusion and modulations of the life and death drives which will determine the eventual development are part of developing relationships to the early objects and, therefore, the real nature of the environment will deeply affect the process. (p. 60)

Freud’s notion of a death instinct arises in the context of a clarifying his ideas about humans as instinctual beings. In his 1920 work, *Beyond the Pleasure Principle*, Freud (1920/1984) starts to articulate the notion of a death instinct. Up to that point, Freud had considered that human behaviour was propelled, or “automatically regulated” (1920/1984, p. 275), by what he dubbed the “*pleasure principle*”—hence the title of the book. Succinctly put, the pleasure principle was a principle that the psyche acts at an unconscious level to satisfy instinctual needs, either directly (e.g. by food to satisfy hunger, drink to satisfy thirst etc) or indirectly through wish fulfillment.

The aim of the pleasure principle is two-fold: to gratify, or bring about pleasure; *and*, avoid the pain or unpleasure of the tension that is created by the instinctual demand. Indirect satisfaction through wish fulfillment, uses fantasies, dreams and illusions to provide a substitute, or a symbolic gratification of the desire (e.g. a dream to date a desirable person). Our first example of excess is that which is related to the maximisation of pleasure and minimisation of displeasure. Because pain is avoided, to what Freud alludes is the extreme dream or the fantasy that is symbolic of a doubling of extreme pleasure.

Sigmund Freud's schematic rendering of the psychological domain is based on interrelationships among the ego and the id and the super-ego (Freud, 1923/1984). The ego uses judgment, logic and memory to mediate unconscious release of biological urges which emanate from the id. These urges can be divided into two classes of instincts: *Eros* is comprised of the life (sex) and self-preservation instincts, and, *Thanatos* (Jones, 1957, p. 295), or the death instinct, is a class of instincts embodied by purely destructive behaviours (Freud, 1920/1984, 1923/1984). While generally accepted to be within the realm of biological study, instinct theory is applicable to psychology and egoistic discourse, as it makes a "constant claim on the mind and urges the individual to take certain actions" (Anna Freud, 1952/1992, p. 58).

The ego appraises various rules of social acceptance posed by the outside world or the super-ego, to determine whether to satisfy, postpone, or suppress the demands of the id. The super-ego is comprised of authority figures, reminiscent of parents and their mental models or aggregate values and beliefs, which the ego attempts to integrate or introject and employ to manage the id.

It must take into account the *reality* of the external world, i.e., the conditions this external world impose upon the form/expression and appropriate timing for the satisfaction of the demands of the id -- thus, operating in accordance with what Freud dubbed the "*reality principle*" (1923/1984, p. 363). Freud (1923/1984) described the relationship of the ego with the id in the following manner:

The functional importance of the ego is manifested in the fact that normal control over the approaches to motility devolves upon it. Thus in relation to the id it is like a man on horseback, who has to hold in check the superior strength of the horse; with this difference, that the rider tries to do so with his own strength while the ego uses borrowed forces. Often a rider, if he is not to be parted from his horse, is obliged to guide it where it wants to go; so in the same way the ego is in the habit of transforming the id's will into action as it were its own. (p. 364; see also Freud, 1933/1988, pp. 109-110)

Although constantly seeking expression, both classes of instincts, *Eros* and *Thanatos*, are subject to repressive psychodynamics, to the extent that neither does harm to the self nor others in society and are therefore, culturally shaped. *Eros* and *Thanatos* are "fused, blended, and alloyed with each other" (Freud, 1923/1984, p. 381) to keep each other at bay: without one the other would accede to break societal rules. To maintain moral stability and equilibrium, *Eros* and *Thanatos* cancel each other's energy. A healthy mind supports the "maintenance of a modulated repression that allows gratification while at the same preventing primitive sexual and aggressive impulses from taking over" (Mitchell & Black, 1995, p. 19).

Through the process of identification, the ego may also form an impression of an ego-ideal: a set of optimal values and beliefs to follow because it represents the best accepted standards for living life, which paradoxically, might not be accepted by all other super-ego countenances. The ego-ideal, together with the prohibitive/repressive aspects of societal standards, comprises the super-ego. Competing values and goals or incongruity among various aspects of the super-ego create ambiguity and ambivalence resulting in the ego's inability to meet all demands simultaneously. Synchronistic failure causes the sacrifice of one to obtain another, generating moral anxiety (Badcock, 1988) or guilt, which is inwardly-turned aggression, or masochism. In extreme cases, guilt is revealed in the neurotic and the melancholic, individuals prone to excessive emotional upset from uncontrollable anxiety and whose super-egos appear "as it were, a pure culture of the death instinct" (Freud, 1923/1984, p. 394). Guilt erodes self efficacy, self-esteem and therefore self-concept, a process that parallels the pull toward identity dissolution and fragmentation: examples of the death instinct's frustration of the life instinct in all its semblances.

The lack of self-concept allows the ego to further mismanage the id. Sadism is a phenomenon in which primary masochism is outwardly directed in behaviors ranging from subliminal demonstrations of avoidance and separation to overt, aggressive physical acts. These are examples of ways and means to feed the illusion that one has the will to power or that one can control externality (Carr, 2003b-d). In other words, to defend against dissolution and to eliminate death fear, the ego turns on the super-ego that has turned on it. Consequently, at certain times ego is master but at others, it is slave to the id and its constituents, Eros and Thanatos that continually try to escape their container. The purpose of cathexis is to maximize pleasure and minimize displeasure so threats of and actual breakouts enslave the ego to instinctual demands. In order to satisfy competing aspects of the super-ego, cathexis also means that the ego places Eros between itself and Thanatos, which automatically leads to a summoning of Thanatos. Badcock (1988) believes, concomitantly, that the ego can simultaneously become slave to super-ego, the ego-ideal, and id. This means the ego must split itself or be split to serve a number of masters simultaneously. The pathological consequence is the split personality and ontological insecurity, which means not only being a slave but being two different slaves at the same time (Laing, 1960, 1971). It follows that the ego would have to increase its energy to overcome this Thanatic manifestation, leading to another escalation of Thanatos. If the ego continually separates and reattaches to similar but different aspects of the super-ego, the death instinct assumes the form of repetitive compulsion expressed as reiterations of masochism transposed into outwardly turned sadistic acts. For Freud, *Thanatos* generally expressed itself "as an instinct of destruction" (Carr, 2003b-c; Freud, 1920/1984, 1923/1984).

The death instinct and destruction in object relations: Melanie Klein

The relationship of the super-ego, the ego and id form the basis for psychoanalytic object-relations theory (Klein, 1975a-d) based on the primal relationship between the mother or object who represents the super-ego that is the newborn's or the ego's first attachment. Klein believes that the release of instincts from the id always presupposed the object interacting with the ego such that objects and memories or illusions or fantasies they trigger create two dispositions of relating to the world, which are sourced from reassurance and life or persecution and death. Reassurance parallels *Eros* as its constituents are adoration, care, and love. Persecution parallels *Thanatos*, which is comprised of destructiveness, hatred, envy, and spite.

It is in the child's all important first year of development that Klein views the death instinct as purely a destructive force summoned forth by fears of dissolution and imminent annihilation, when the infant, in its Manichaeic world, cannot adequately resolve ambiguity, conflict, and anxiety posed during separations from the mother's breast.

Primal relationships are based in paradox or mutual causalities. The infant *idealizes* the 'good' breast and projects love onto it because through the transfer of milk (Suttie, 1935), it triggers feelings of contentment that are absorbed or introjected by the infant: these feelings represent the mother's reassurance, which is life sustaining. This 'good' object also confounds the infant because it inspires a degree of *envy* from the emphasis of the infant's need and dependence upon it. The infant experiences the good object as being outside its control, when the infant cannot have it; during unwanted disruptions of milk or separations from the breast. Because of the undeveloped ability to understand paradox, in the child's mind, the breast becomes simultaneously, a frustrating, terrifying, omnipotent 'bad' object that is perceived to have the persecutorial power to destroy both the infant and the 'good' object, causing separation anxiety or the feeling of isolation from the life force. This anxiety becomes acute; it threatens to transform isolation into total dissolution, which becomes synonymous with the fear of death.

Through a process called *splitting*, the child minimizes anxiety by attempting to maximize clarity. Splitting exaggerates differences between good and bad objects, to eliminate 'gray' areas and create a 'black and white picture' so part of the object becomes either all 'good' or reassuring and the other part, all 'bad' and persecutorial. Klein termed this as the *paranoid-schizoid position*, highlighting "the persecutory character of the anxiety and ... the schizoid nature of the mechanisms at work" (Laplanche & Pontalis, 1988, p. 298).

In an attempt to remove the cause of anxiety (Suttie, 1935) derived from the affective state of persecution, destructive urges such as hate and spite emanate from the id but are not wanted by the ego or infant so they are projected and *contained* in the 'bad' object: "... a relationship to the original bad object has been created from the destructive force of the death instinct for the purpose of containing the threats posed by that instinct" (Mitchell & Black, 1995, p. 93). Setting boundaries around the 'bad object' is meant to develop the 'good' object, which is supposed to emerge from the

split as a place for refuge or a core for ego development. However, because the death instinct is also embodied by envy, it does not allow a nurturing yield to the split so the needed core does not materialize. Klein declares that envy is the deadliest of all seven 'deadly sins' "because it spoils and harms the good object which is the source of life" (Klein, 1975c, p. 189). Envy is an especially damaging force because it seeks to destroy the good objects around which the ego attempts to develop, and so also destroys hope.

In a simultaneous process called projective identification, the infant induces in the mother, the feelings toward the bad object for which she must take responsibility: "There is a malevolent breast trying to destroy me, and I am trying to escape from and also destroy the bad breast" (Mitchell & Black, 1995, p. 93). In this way the infant attempts to make the mother feel guilty for disrupting the flow of milk, which represented her reassurance.

At this juncture, it becomes more apparent that the milk and perhaps the breast itself, are transitional objects or psychological bridges formed in potential space between reality and fantasy or between perceptions of inner and outer worlds (Carr, 2003a; Winnicott, 1971). Winnicott's (1971) interpretation of the analyst and analysand's relationship is one in which they:

seek to share a reality and collude to make play possible ... to maximize creativity of the patient. The parallel here was the view that a child's creativity is impaired by parents who will not accept a child's view of reality. (Carr, 2003a, p. 202)

The way the infant treats the transitional object reflects feelings of how the mother is perceived to treat the infant: "The mother gives the breast, certainly, but the infant *gives the mouth*, which is equally necessary to the transaction of suckling. The fact that there is a transfer ... is immaterial to the child's mind, *if the milk comes willingly*" (Suttie, 1935, p. 27). When the infant does not wish to relinquish the transitional object, creativity used in the attempts to keep it, become destructive acts of: " ... *power to exact services* ... 'You *must* love me or *fear* me; I will bite you and not love you until you do'" (Suttie, 1935, p. 33). For the infant, transitional objects, which might be expressions of the death instinct are instrumental in achieving and sustaining the terminal value of life.

As the child matures, it transitions to what Klein labels the *depressive position* or the understanding that it both hates and loves the same breast. The infant feels shame for hating a loved object "toward whom the child feels deep gratitude and concern" (Mitchell & Black, 1995, p. 95). In another defensive effort, the child may seek to deny or disavow (Freud, 1940/1986) the reality of the persecutory object. This process emphasizes the 'good breast' as the core around which the ego can sustain itself or develop "as if it were the grain of sand that yields the pearl" (Klein, 1975c, pp. 178-180) while simultaneously allowing the repression of 'bad breast' memories or manifestations of the death instinct.

Klein's version of the death instinct can be characterized as an anxiety theory generated by the ego's determination to split off and project aggressive impulses, thereby recreating the experience of the persecutory 'bad breast' in and around the individual. Without progression to the depressive position, aggressive impulses push the individual toward eventual and complete

dissolution, as remembered from childhood. While in normal development we build reflexivity and wisdom to pass through this phase, the paranoid-schizoid position is a constant threat because, through memory, it is always available to us and so can never be truly transcended in adulthood.

Adults are non-reflexive and unable to maintain a depressive position when they suffer degradations of self-concept. These perceptions of persecution may become such that others are experienced as only reminders of the 'bad breast' rather than as 'whole' individuals: "The regression (to babyhood) under fantasy leads to a great deal of infantility of character in adult life ..." (Suttie, 1935, p. 32). Adults' regression to the paranoid-schizoid position is a manifestation of the death instinct during times of transition, such as that posed from the requirement to engage with many objects in the group setting.

The death instinct and destruction in group relations: C. Fred Alford

C. Fred Alford has explored the nature of the death instinct in the therapeutic context of group development, when adults experience anxiety from unstable or disequilibrating leader-follower relationships that are based on the primal relationship between mother and infant. In the group setting, the legitimate or formal leader is 'mother' and the group members are followers or 'infants.' In as much as the infant continually changes with and because of its environment, transformation is required to maintain self-concept or love "between the child and the mother and later to its substitute relationships with its whole social environment" (Suttie, 1935, p. 29; see also Gabriel, 1999). We explore Alford's contributions to the conceptualization of the death instinct by reviewing aspects of group development that best reveal destructive and expansionist behaviors likely to be expressed as the death instinct.

Eros, the instinct for self-preservation drives the individual's need to participate in combined efforts to accomplish something that could not otherwise be completed through individual performance alone such as the conference of self-esteem to uphold self-efficacy and maintain self-concept (Alford, 1994; Nitsun, 1996). Immigration to and participation in (joining) a new group conjures layers upon layers of ambiguity. There is a constant need to be a part of a group that is continually tempered with the individual's fear of identity loss, "which means to accept that within each individual is the desire to be an autonomous individual, the desire to submerge oneself in the group, and a perpetual conflict between these two desires" (Alford, 1994, p. 5). Individual egoism is the constant drive to first protect that which comprises self interest, namely that of identity (Alford, 1994; Nitsun, 1996). In diametric opposition to the individual, "the group seeks first of all its own security. The creation of a less threatening environment is the group's paramount task. Everything else, including the recognition of its individual members, is subordinated to it" (Bion, 1961 cited in Alford, 1994, p. 27). Contiguity of the individual/group relationship precipitates proleptic fantasies of immigrating to and participating within the group long before reaching physical proximity to any others. Fantasies associated with anxieties from the belief of

impending identity annihilation sets the stage for the individual's belief in the group's "unlimited power and an insurmountable peril" (Freud, 1921/1985, p. 113).

In the context of group, adult members' realities are the fantasies that it is the formal leader's responsibility to protect them against identity dissolution or annihilation:

In fact this is probably the most important single thing I have learned from small groups. *Group development requires leadership, a fact that political theory has worked hard to ignore, evidently because the need for leadership is experienced as humiliating and dangerous. Humiliating, because the need for leadership questions the autonomy and freedom of individuals, and dangerous, because leadership so often seems to connote the Fuhrerprinzip.* (Alford, 1994, p. 5)

Upon the formal leader is the projected role to lead those who are begging to be led yet who are also envious of the formal leader's power and ability to lead without loss of identity: the formal leader is both revered and hated for what the group does not have (Alford, 1994, pp. 39; 59-60), which is the power to keep from identity dissolution. The formal leader's willingness to lead parallels the mother's reassurance, which maintains the follower's self-concept and suppresses death fear. When adults fantasize that the formal leader refuses to lead, the death instinct is manifested in a tripartite version of splitting along with another interpretation of projective identification.

Defense mechanisms, especially early in the group development lifecycle, seem to be unavoidable because adults "... would rather be 'bad somebodies' than 'weak non-entities' – to be human and weak is felt as if it were on the way to loss of identity" (Holbrook, 1971, p. 199). Alford (1994, pp. 52-56) argues that the resolve to eliminate death fear anxiety results in the use of a mutated form of the paranoid schizoid position, the schizoid compromise. This defense is of particular significance because it helps determine why gaps in wisdom, which were not in existence prior to the process of immigration and participation in the group, suddenly appear at the mere thought of existing in a group relationship. Fear related to joining a group results in regression or dedevelopment from the feeling state of wisdom all the way back to the state of early childhood and infancy, where only mistrust and hopelessness prevail (Erikson, 1979).

Mistrust and hopelessness are instrumental in establishing the individual in the autistic-contiguous position:

This represents a superordinate defense in which psychological pain is warded off ... The outcome is a state of "non-experience" (Ogden, 1980, 1982b) in which the individual lives partly in a state of psychological deadness – that is there are sectors of his personality in which even unconscious meanings and affects cease to be elaborated. (Ogden, 1989, p. 199)

Fantasies of identity dissolution, or being dedifferentiated by the group when falling too much too fast toward the pole of complete submergence within or engulfment by the group, induces the individual to put into "cold storage" (Alford, 1994, p. 55) some of the best parts of the self, or some of that identity which is most valued. The fragmented self is one that is in an identity diffuse state:

when the current identity structure is being disequilibrated. The person may feel confused and scattered, behave impulsively, look for support in inappropriate places, become 'irresponsible,' 'unreliable,' and 'unpredictable'. (Marcia, 2002, p. 15)

The schizoid compromise allows the death instinct to surface, yet "... splitting off the true self is an alternative to suicide ..." (Alford, 1994, p. 55): it is instrumental in protecting the individual from identity annihilation, the imminence of which suggests that some desire of masochism must exist to support the valence for joining a group in the first place. In the group setting, we term the schizoid compromise to be *primordial splitting* because the adult regresses to a psychological state of prematurity — the infant who may not survive influences of many object relations. Further, Alford's group is a collection of digressed, regressed part individuals, which means neither individual group members nor the group itself is a whole object as Bion's *basic assumption* work suggests (Alford, 1994; De Board, 2001).

Primordial splitting punctures the ego so reflexivity and destructive behaviors leak out, which is synchronistical with the allowance of the introjection of powerful, persecutorial projections. Alford assimilates Spillius' (1983) version of projective identification to say that in the group setting, its power is in its subliminal ability to virtually project ego parts into others as a means to penetrate their containers and influence them in what is unconsciously felt to be a coercive process (Nitsun, 1989). Receivers allow persecutory dumping because they are in fragmented states in the first place and are not in a reflexive position to minimize any anxiety of being rejected by the group. Rejection equates to loss of reassurance and feelings of persecution. Consequently, group members may feel a general malaise of discomfort in a group, but they can neither diagnose the cause, nor prescribe its antidote.

In the absence 'good mental health', adequate reflexivity is not generated so receivers allow themselves to be controlled and especially by the "aggressive imaginer" (Alford, 1994, p. 45). Yet, this individual is still also in a regressive state and so uses the death instinct in an aggressively outward manner "as a wish for self-annihilation in the face of unendurable frustration and suffering" (Segal, 1993 cited in Nitsun, 1996, p. 151) to end the longing for the dyadic relationship experienced during infancy (Alford, 1994; Nitsun, 1996).

The aggressive imaginer fantasizes that it is not being appropriately held as was once remembered during the primal relationship. During disequilibrating events, the purpose of holding is to keep the individual suspended between the poles of complete autonomy or isolation and submergence/engulfment or what is referred to as "groupie" (Alford, 1994, p. 73). The *holding pattern* is maintained when the 'mother' or formal leader is perceived to be somewhere between overly kind and helpful, on the one hand, and brutal and sadistic, on the other. This holding pattern serves to eliminate, respectively, perceived existence at either extreme of dependency or isolation (Alford, 1994). If the holding pattern is not maintained because the mother refuses to mother or the formal leader refuses to lead, the aggressive imaginer instinctively feels an oncoming implosion of despair or burst toward oblivion, which in either case would place the self into unbounded instability (Stacey, 2003) or deep in the depths of the unknown or chaos. In the aggressive imaginer's fantasy,

the formal leader's refusal to lead is paralleled to the splitting of the breast so only its 'bad' components are selectively perceived. In effect, in the mind of the aggressive imaginer, the next phase of splitting and projection of 'bad', persecutorial parts dissolves the identity of the formal leader's presence. Thus, *Thanatos* has emerged to justify retribution and out of spite, allows the aggressive imaginer to 'kill off' the formal leader.

Identity can only be maintained if there is at least one object willing to confer self-esteem and maintain self-efficacy: in Hegel's (1807/1977) famous story of "Master and Slave", without a master there can be no slave and without a slave, there can be no master (Carr, 2003d; Carr & Zanetti, 1999). Through projective identification, the aggressive imaginer makes a subliminal promise to replace reassurance that also passed on with the assassination of the formal leader. This process helps to subordinate and subjugate other group members and therefore the group, to the wishes and values of a new master. In a dialectical twist, the consequence is that the group promotes its healthiest, strongest, sickest, weakest member to replace the sacrificed formal leader, and so the group's informal leader emerges. The newly elected, 'murderer' pushes the group into the paranoid-schizoid, autistic-contiguous position where many punctured egos now reside. Before the group becomes completely drained of 'good breast' reminders, their containers' boundaries are fortified as a stop gap measure to protect the "unstable entity within, albeit at the cost of learning from without: from experience and from the consultant" (Ogden, 1989, pp. 47-82 cited in Alford, 1994, p. 29):

... the group itself, through pervasive projections, embodies a process akin to the death instinct. Here, the group as a whole becomes a poisonous container, acting as a siphon for the self-destructive process. (Nitsun, 1996, p. 151)

Although considered to be abnormal or infantile responses for a developed or mature individual, projective identification, as embodied by envy, spite, coerciveness and manipulation can become the norm of individuals in the premature group. The group cannot reach developmental stages unless it is able to reach the depressive position: reminders of the good breast have the potential to transition destructive behavior into expansionist behavior, which we will uncover in Alford's (1994) two themes of *despair, deadness, and hopelessness* and *sex and death*.

Creating potential space for the death instinct

Attempts to ameliorate guilt and shame from the drama of leadership sacrifice, creates feelings of *deadness* (Alford, 1994). The tone of this phase is dominated by the experience of the group member who most identifies with the deadness: the informal leader, the murderer, or the best schizoid compromised, projective identifier. The larger the group, the more likely it is to become enraged because there are more containers projecting and introjecting 'bad breast' reminders. Should *hopelessness* become entangled with *deadness*, the result is that the premature group can never escape its fantasy, so it dies.

Alternatively, smaller groups are more likely to despair and mourn their loss and perhaps for a long period of time. Mourning, as painful as it might be, is the first sign of the group's awareness that something less destructive might be done to dissociate values from the object's body "so these might then be carried forward" (Hyde & Thomas, 2003, p. 1006). "It is remarkable that this painful unpleasure is taken as a matter of course by us. The fact is, however, that when the work of mourning is completed the ego becomes free and uninhibited again" (Freud, 1917/1984, p. 253). The conjunction of Alford's and Freud's suppositions is that the ego becomes freer and less inhibited so as to seek alternatives to destructive behavior. Consequently, the group moves toward engagement in real or metaphorical sex and its potential to generate expansionist or positive behaviors that are exposed in Alford's (1994) theme on *sex and death*. Real and metaphorical sex are the means to seek a "'good' substitute for the 'bad'" (Suttie, 1935, p. 31). Their related behaviors can be explained through the theorizing of Sabina Spielrein who posits the notion of death in sex or the destructive-reconstructive aspect of change.

Potential space for expansion: Sabina Spielrein and the death instinct

A psychoanalyst in her own right, Sabina Spielrein notes that sexual wishes appearing in myths, in stories and in analysands' dreams are often associated with images of death. She became puzzled by the question: "Why does this most powerful drive, the reproductive instinct, harbour negative feelings in addition to the inherently anticipated positive feelings?" (Spielrein, 1912/1994, p. 155). Spielrein's answer is a synthesized summary of what she takes to be "biological facts" which are then specifically linked to an argument about "destructive-reconstruction events." She argues that at conception:

The male component merges with the female component that becomes reorganized and assumes a new form mediated by the unfamiliar intruder. An alteration comes over the whole organism; destruction and reconstruction, which under usual circumstances always accompany each other, occur rapidly. ... The joyful feeling of coming into being that is present within the reproductive drive is accompanied by a feeling of resistance, of anxiety of disgust. ... this (latter) feeling directly corresponds to the destructive component of the sexual instinct. (Spielrein, 1912/1994, p. 157)

The two components of the sexual instinct are such that "the impulse of the positive component simultaneously summons forth the impulse of the negative component and opposes it" (Spielrein, 1912/1994, p. 174). In broad terms, she draws upon Freud's work to assert that: "In seeking the *causa movens* of our conscious and unconscious self, I believe that Freud is correct when he accepts striving for pleasure and suppression of displeasure as the bases of all psychic productions" (Spielrein, 1912/1994, p. 159). In some of her analysis, Spielrein (1923/2001) suggests wishes for pleasure are ordered by moral ideas similar to those supplied by super-ego ego-ideal aspects, such as the bible. She even goes as far as to say that these wish types are symbolised specifically by

visions of stars so the: "...symbol of the shower of stars has become the image of personal desire, which, so it is said, must be prepared for or introduced, and enhanced, while at the same time perhaps remaining hidden, as a result of the symbol" (p. 214). The important aspect here is that people might repress their true desires so they do not contravene super-ego ego-ideal desires. In other words, people are willing to minimize maximization of pleasure so as to be loved. This partial allowance of unpleasure is synonymous with mortality or dying.

Spielrein arrives at the conclusion that thoughts about death are an ever-present component in the sexual instinct itself. Moreover, Spielrein's views on destructiveness are not that they are simply fueled by acts of hatred, but that destruction, as embodied by partial dissolution, is a necessary requirement to allow the emergence of something new: "Close to our desire to maintain our present condition, there lies a desire for transformation" (Spielrein, 1912/1994, p. 163). Spielrein thought that the destructive component of the sexual instinct was in fact "an expression of a sexual wish for dissolution" (Kerr, 1994, p. 300): the requirement for death in life is to say, potentially — *the aim of all death is life*.

Spielrein argues for the inevitability of love leading to *partial* destruction as a *transformational* act. She concludes that: "Death is horrible; yet death in the service of the sexual instinct, which includes a destructive component, is a salutary blessing since it leads to a coming into being" (Spielrein, 1912/1994, p. 183). Paraphrasing a colloquial observation, the death of the chrysalides is necessary to give new life in the form of a butterfly. Spielrein's *emphasis* may not be on death per se, but on the destructive/dissolution component of the sexual instinct as something that is implicated in the service of allowing the emergence of something new, which may result in positive outcomes:

A symbol is nothing else but a lateral association which has only a little of the feeling of the main association. And you can also see well enough that it is things which are overloaded with affect that are symbolized, especially those that refer to sexuality. (Spielrein, 1906-1907/2001, pp. 165-166)

Positive outcomes in Alford's theme of *sex and death* would result in containers of the chaste and beloved, thereby increasing the potential for cessation of 'bad breast' reminders. Alternatively, Spielrein's concept of partial destruction may also result in new, negative outcomes such as the container of the abusive lover.

The persistence of persecution: Negative outcomes from death in *sex and death*

Destructive outcomes ensue if the group's next chosen 'mother' substitute can still be described as persecutorial. In keeping with the death instinct's ability to be expressed as repetition compulsion, Alford's theme of *sex and death*, along with potential of negative transformation derived from Spielrein's elaborations, results generally, in the male abusive lover's dominance that continues to atomize self-concept using "sex as a tool to dominate or control others..." (Alford, 1994,

p. 63). In other words, creativity leads to another example of someone who is too brutal and sadistic and so does not adequately hold the group. The consequence is that the group careens further toward engulfment or dedifferentiation as the will to power forces them to conform to the abuser's wishes (Carr, 2003d). The goal to obtain a suitable 'mother' has not yet been achieved. Frustration resulting from this realization links this act back to *despair, deadness, and hopelessness*, which unveils an example of the repetition compulsion as the group struggles with the death instinct.

The connection between the death instinct and the group is "that the importance of the concept of the death instinct ... remains as a critical principle that reminds us of the regressive and disintegratory aspects of human behavior and guards against therapeutic over-optimism and idealization" (Nitsun, 1996, p. 151). In other words, it is possible that during times of transitions, certain groups will never develop because they never reach the depressive position. Without group development, there can be no individual development so the "depressing thing about these dramas is that they just go on and on" (Alford, 1994, p. 64).

The purpose for group study is to develop the individual's awareness of death's potential: "The paradox is that the more people become defended against death, and inevitability of their own death, the more it becomes possible for death to be manufactured and split off from life" (Lawrence, 1979/2002, p. 242) and the more it is likely that others' lives will be negatively affected by the defensive behaviours used to minimize potential: the recognition that death is a frame work for understanding organizational life.

Summary of symbolism invoked by the death instinct

It is precisely because of one's consciousness of things and their symbols that individuals behave in the ways they do. What Freud does is use symbolism to explain how behaviour is manifested or becomes symbolic of instinctual impulse. Thus recordings of his conscious and self-conscious interpretations help reinstate death symbols so as to reinforce personal and social implications of having excess life. Klein's work imposes and reinforces parent child relationships that are symbolized by immature thinking and behaviour. For instance, some readers may have already accepted or dismissed her discussions just because of the use of the term 'breast' that can make one feel 'too sexual' or 'too infant' that results in Thanatic responses of shame and guilt leading to overabundance of self-protection in the forms of sadistic acts. The conjunction of Freud and Klein's work on the death instinct is that they perceived it to be only destructive, which means that all one remembers from infancy and other past associations become symbolised by only that which is negative. Instead of dealing with the negativity of mortality and death, one becomes desensitized to it or splits it into parts that are harmful to others but not to self.

Such is the case in group relationships when Alford's aggressive imager uses the entire group as a buffer from the uncooperative leader. In this way, Alford suggests that the group becomes symbolized as perhaps a set shock absorbers required to smooth out a rough ride, which indicates

that the death instinct has the potential to drive the group toward development. Spielrein's paralleling expansionist view adds more emotionality from both physical and psychical sex to symbolize creativity. For both Alford and Spielrein, such creativity can lead to negative or positive transformation, which brings us back to at least part reinforcement of the death instinct's negative representations. The commonality among all the mentioned researchers and authors is the tendency to mitigate feelings of death using life support symbols of transitional objects. Alternatively, the addition of Winnicott into the mix means that to minimize feelings of identity dissolution people will at least for a time, continue to put something or someone between themselves and others that to them symbolises life but for others symbolise death.

Symbols of organisational change

There is perhaps no greater symbolic irony than the use of the Greek delta sign that signifies change to depict organizational structure in which, little or no Δ may occur in the first place. The following section of our paper applies aspects of the death instinct to inform theory regarding change and more specifically, change resistance for, as Becker (1997) observes, we protect what we value when faced with reminders of our mortality.

Suitable repression of the death instinct requires a necessity for psychological *equanimity*, *propping* (Holbrook, 1971), *holding* (Alford, 1994) or the necessity of a *worldview*, which is comprised of:

- (1) a shared set of beliefs about reality that imbues the universe with stability, meaning, and permanence;
- (2) standards by which individuals can judge themselves to be of value;
- and (3) promises of safety and the transcendence of death to those who meet the standards of value. (Solomon, Greenberg, & Pyszczynski, 1998, p. 1)

As noted in the literature review, death fear anxiety becomes excessive when in some way, shape or form, the individual is made aware of imminent personal demise, when the denial of death becomes unrepressed so as to create the feeling that the holding pattern or reassurance has been disrupted. The reaction is to do more than what is needed to survive. Not being able to work with one's world view is symbolic of a baby being dropped on its head.

Perhaps this is why organisational leaders spend so many resources to eliminate this feeling. Organisational indoctrination activities of setting and communicating leaders' visions parallels projection of dreams and promises to subordinates, shareholders, and society in general, which may only be fantasy (Carr & Downs, 2004). More important, once these illusions or perhaps delusions are linearly operationalised through strategic planning, organising, leading and controlling they become contained within prisons of formalisation and centralisation with little chance of transformation (Meuser & Lapp, 2004; Porter, 1980). Such a process is symbolic of splitting, projection, and projective identification that are embodied in negative behaviours. These symptoms of organisational illness remain untreated because they are hidden as death instinct

manifestations of conflict avoidance tactics such as blaming, lying, and misreporting organizational facts (Gibson & Schroeder, 2003; Waung & Highhouse, 1997). Over time, these become indicative of Freud's take on the death instinct's role in repetition compulsion, which leads to the slow death of relationships (Quinn, 1996) but keeps operations problems alive.

Learning to conform to rules and regulations, or other transitional objects, are akin to instrumental values used to secure the super-ego's or organization's reassurance of continued employment and remuneration. When the rules change too rapidly and when the outcomes are perceived to result as reminders of persecution, self-efficacy is minimized. Expectancy theory reminds us that this affects motivation. The outcome is change that results in regression to the mean, to the state of zero energy such as when *Thanatos* cancels the energy of *Eros*. If motivation to participate in future change is zero then, the expectancy that future change will be successful is also zero.

Rules of conduct are other examples of transitional objects, which form part of the ego and organisational-ideal. As such they all become symbolic of security blankets that when taken away or changed, have varying impacts on the individual's super-ego, which may be in opposition to the ego's view on managing the id. To minimize these effects, psychological perceptual distortions (Schermerhorn, Hunt, & Osborn, 2003) manifest themselves in defense behaviors that are used to protect identity. Reflexive shortcuts help form illusions or delusions that change will separate the self from personal values or beliefs, which is instrumental in producing change resistance or avoidance (French, 2001). Alternatively, identity sustainment creates potential for change acceptance, and perhaps change leadership, which are propelled by physical and mental "energy and hope" (Carr & Gabriel, 2001, p. 419).

Many organizational behavior and management researchers and authors continue to teach that participative management in change processes requires employee involvement so as to minimize resistance to change (Ancona. et al, 2005; Daft, 2001; Dessler, Starke, & Cyr, 2001; Drafke & Kossen, 2002; Goltz & Hietapelto, 2002; Schermerhorn, Hunt & Osborne, 2003). Employee involvement is instrumental in effecting organizational change but for the reason of maintaining self-concept which is an essential component of buffering the individual from the realization of mortality so severe defensive reactions in the face of mortality salience are not allowed to occur (Becker, 1973; Carr, 2003b-c; Freud, 1920/1984, 1923/1984; Solomon et al. 1998; Webb, 1998). That there is resistance to organizational change is not a revelation. What would be significant is the development of change models that consider the need to mourn losses of self-concept to mitigate fears of identity annihilation, which impede imposed change efforts.

In a related implication, reliance on an external locus of control seems to be especially prevalent when considering the death instinct in group relations. Alford's interpretation of mortality and death in group studies alerts us to unreal expectations we might have of our leaders that foster within us the perceived ability to relieve ourselves of responsibility to reflect and consider issues on their merits. The death instinct can manifest itself in the characteristics of toxic leaders who, if left to their own unexamined devices (Alford, 1994; Becker, 1973, Marcuse, 1955,

1964; Nitsun, 1996), use projective identification to construct toxic environments and mutate what was once considered to be a healthy organization into a hazardous waste container (Carr, 2003b-c; Gabriel, 1999; Kets de Vries, 1991, 2001; Kets de Vries & Miller, 1984; Lubit, 2004; Sievers, 1990, 1994). If the ego perceives change will result in threat, mourning, decay and death, extreme anxiety induces mortality salience or triggers the individual to reflect on her or his own death, which results in various degrees of inward and outwardly directed aggression (Carr, 2003b-c; Freud, 1920/1984, 1923/1984).

In the absence of reflexivity, proper maintenance of psychological boundaries to ward off immigration to the autistic-contiguous position does not occur (Alford, 1994; Ogden, 1989). The problem with establishing such organisational or social defences is that projections and introjections "seriously distort organisational rationality and task" (Gabriel & Carr, 2002, p. 356). In turbulent times, the need is to generate creativity and critical thinking leading to team work (Beeson & Davis, 2000) rather than stereotyping and dogma that can lead to groupthink (Berzonsky & Adams, 1999; Schwartz, 1990). The consequences of the death instinct at work are diminutions of differentiation and organizational diversity, which minimize contemporaneous awareness and respect of multiple worldviews.

Organisational and social defenses are issues that are particularly apposite in a Kleinian view of the world for it is the creation of such boundaries that facilitate the differentiation of self and other, which helps to relieve the fear of engulfment by the other. Secure psychological boundaries that act as lines of defences allow the individual to more confidently engage with others. The problem is that

in containing anxieties organisations often resort to dysfunctional routines which stunt creativity, block the expression of emotion or conflict, and, above all, undermine the organisation's rational and effective functioning. Just as individual defenses immerse the individual in a world of neurotic make-belief detached from reality, so too do organisational defenses immerse their members in collective delusions, in which they pursue chimerical projects or run blindly away from non-existent threats, while disregarding real problems and opportunities. Like the individual neurotic, the organisation may then find itself at the centre of a vicious circle. Just as a neurotic's personal self-delusions deepen the sufferings for which they ostensibly offer consolation, likewise corporate delusions merely re-inforce the malaise of the organisation. (Gabriel & Carr, 2002, p. 357)

As depicted in the Ben Casey television shows, depending upon only the organisation and its leaders to be too symbolic of ontological security is an excessive undertaking. X-ray eyes will see that their abilities to ensure immortality are figments of one's imagination. The number and severity of life instinct misrepresentations remembered and experienced from these procedures means excessive follow-ups are required to excise the death instinct. This means that symbols of Eros could outweigh and outnumber Thanatos a thousand to one, yet no matter after how many operations from serious illness or even from play, no one will ever be free of death. From birth to infinity, the death instinct remains an integral ontological aspect, regardless of how deep it is buried. The more things change, the more they stay the same – the doctor says you're going to die.

*"I have not been afraid of excess: excess on occasion is exhilarating.
It prevents moderation from acquiring the deadening effect of a habit.
(Maugham, 1938/1950, p. 508).*

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Lemmings in the Casino

Metamorphoses of the Crises of Capitalist Accumulation – Threats and Opportunities of the Current Stage

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Abstract

Following Braudel's conceptualization of capitalism and Arrighi's periodization of systemic cycles of accumulation, the authors focus on the patterns of recurrence of financial expansions enabling capitalism to revitalize itself through crisis; in this, crisis is considered in both aspects – crisis-as-restructuring and crisis-as-rupture. The ways in which finance aided by the blocks of governmental and business agencies in the present stage affects investment and business cycles result in a progressive increase of inequality between rich and poor countries, as well as inequality within the most developed countries. The authors tackle the crisis phenomenon through a genealogical analysis of the formation, consolidation and disintegration of the successive regimes of accumulation on a world scale through which the capital economy expands. They furthermore examine the crisis of capitalist accumulation through the relation of money and the state, which leads them to the field of debates on the changed relationship between the global economy and the national state. However, the crisis is also marked by a milestone which, despite dangers and pitfalls, opens up endless possibilities. They end the paper with a critique of the politics of money and advocate a socially responsible finance management, which will pave the way for a structure of society in which humanity will exist as an end in itself, rather than as a resource for the accumulation of money.

Prologue

Lemmings are small rodents best known for their fecundity and migratory habits rather than for frequenting casinos. At the same time though they provide a ready metaphor for excessive mass behaviour of a pointless nature and this is reminiscent of the behaviour of the controllers of global capital, particularly in their ability to throw themselves from off a cliff en masse. Casino behaviour is equally strange, obsessive and futile but is characterised by the winner-takes-all philosophy of a game show. In this paper we argue that this philosophy has permeated modern life to such an extent that its excessive nature is no longer remarkable or even observable. Nevertheless the effects are felt by all, particularly as global deregulation gathers momentum despite opposition from all quarters.

The dominant ideology of the modern Western world is that of the free market which, if unregulated, maximises economic wealth and optimises its distribution, according to its proponents. Consequently there is increasing pressure upon governments around the world to throw off the shackles of regulation so that we may all benefit from the prosperity which ensues from the free market. Omitted (whether by ignorance or by design) from the discourse of ideological pressure is the fact that a completely unregulated free market only operates effectively in a situation of perfect competition – in other words never! Because the globalising agenda determined by such organisations as WTO is based on the absence of state regulation and responsible behaviour has been devolved entirely to corporations on a voluntary basis the stage has been set for the superordinacy of profit over all other consequences of either corporate or state behaviour and a consequent abdication of responsibility by all. The consequences are well known in the corporate fallout which continues to be manifest as lie after another is exposed. These lies are not subject to sanction however because responsibility – and citizenship – has been abdicated by all who should be responsible.

In this paper therefore the authors argue that the global capital market is where this abdication is most acutely observed as the mass behaviour of lemmings is coupled with the winner-takes-all approach of a gambler. As a consequence we analyse the nature and consequences of such superordinacy of capital and the subjugation of civil society and the nation state to the global movement of capital.

Introduction

The systemic conditions allowing capitalism to revitalize itself through crisis form the subject of the present discussion, in which we focus on both its aspects – crisis-as-restructuring and crisis-as-rupture. With the opening of the spatial and temporal horizon of the entire life span of capitalism as a world-scale system, financial expansion and eclecticism come to the surface as instruments for bolstering the system and, what is much more important, as a means of perpetuating for ever the existing power relations. Money capital is what makes this system eminently adaptable, flexible and ensures its seemingly unlimited potential for change.

This inevitably raises the need to analyze the relation of money to crucial areas of human existence and mutual connections of seemingly unconnected social and cultural phenomena. This pioneering work was done for the social sciences by Georg Simmel (2004). When his book *The Philosophy of Money* was published in 1907 in Berlin, although it polarized contemporaries, even authors within the fold of the critical theory, it was clear that this was an exceptional aesthetic viewpoint; one which, at the turn of the century, represented a turning point in the research of the rise of financial forces, as it approached economic science from a philosophical perspective (Frisby 1990). Simmel's deductive analysis sheds light on the processes through which money within the mature money economy transforms human beings into things and socializes them as strangers. He argues that it is function, rather than substance, that is essential to money. In a society dominated by monetary relations, money is nothing else than a vehicle for motion, but at the same time, by its contents, as a measure of things, it is the most stable balance point between all other phenomena in the world. Within the objective economic world, the fundamental relation is the relation of exchangeability. Money represents a special form of the embodied relativity of economic goods, which signifies their value. However, the relations of exchangeability are not based on similar value but are rather the source of this similar value. Hence, the productivity of exchange becomes one of the highest forms of being, a special force of relativity, which represents a symbol of the world's entirely dynamic character.

On the one hand, we live in a time of multiple possibilities of choice, emphasizing the right to difference and stressing the options and alternatives in all aspects of social life, in which developing countries become 'strategic partners' of developed countries. On the other hand, the victorious rhetoric of our times is that of Western civilization, where a single 'almighty' system – capitalism – is placed on a pedestal and 'there shall be no other systems before it'. The situation becomes absurd indeed when it is remembered that 6.5 billion people live on our little planet Earth, and only 1 billion of them belong to the Western culture. Hence, one cannot help but ask the following question: How is it possible that a tiny minority of special communities and well-placed blocks of governmental and business agencies, representing 1 billion people, determines the constitution of society, the developments and the fates of the majority of its compatriots, as well as the remaining 5.5 billion people, finding legitimacy in a system whose survival depends on crisis, pauperization and deprivation? What emerges from the capitalism of the global age is an economy completely dependent on a relatively small group, and a growing inequality within and between communities (Fox Piven & Cloward

1993; Zachary 2000; Barca & Becht 2002; Peterson 2003; Grieco & Ikenberg 2003). We call this the systemic absurdity of our epoch.

The fact is that, in the final quarter of the 20th century, money has gained a new dominance, which also implies a change of the forms through which power is exercised. The processes of 'deindustrialization' throughout this period have fundamentally changed the relation between the productive, commodity and money forms of capital, by leading to the conversion of productive capital into money capital. Considering that money capital can be moved around the world faster and more easily to the places where it yields the greatest profits, as of the 80's, transactions on international financial markets have gained an enormous importance with respect to the movement of commodities and the value of world trade (Giplin 1987, 2001; Held & McGrew, Goldblatt & Perraton 1999; Quack, Morgan & Whitley 1999).

This frightening political power of huge amounts of money dramatically changes the relations between international finances and the national state, since the fate of individual states is directly dependent on the movement of money on the world markets. The power of money at the present day indicates the inherently global nature of power relations, and hence, as emphasized by Bonefeld and Holloway (1996), money cannot be treated as an aspect of 'the economy', but rather as social power which has meaning only when it commands the work of others (Bonefeld 1996). Hence, its role is changed and is constituted by the antagonistic social relations of capitalism.

On a theoretical-methodological level, we can tackle the crisis phenomenon through a genealogical analysis of the formation, consolidation and disintegration of the successive regimes of accumulation on a world scale through which the capital economy expands. We furthermore examine the crisis of capitalist accumulation through the relation of money and the state, which leads us to the field of debates on the changed relationship between the global economy and the national state. However, the crisis is also marked by a milestone which, despite dangers and pitfalls, opens up endless possibilities. We end the paper with a critique of the politics of money and advocate a socially responsible finance management, which will pave the way for a structure of society in which humanity will exist as an end in itself, rather than as a resource for the accumulation of money (Crowther 2002; Crowther 2004 a, b, c; Crowther & Green 2004; Crowther & Mraović 2005; Mraović 2004; Mraović 2005 a, b). The central tenet of social responsibility is the social contract between all stakeholders to society, which is an essential requirement of civil society (Crowther 2004c).

The myth of the force of market and its global reality

One of the consequences of acquisition of governmental influence by the large multi-national corporations is the myth of the free market as being beneficial of all. It is widely accepted almost unquestionably that free market will lead to greater economic growth and that we will all benefit from this economic growth. Around the world people are arguing and winning the argument that restrictions upon world economic activity caused by the regulation of markets is bad for our well-being. And in one country after another, for one market after another, governments are capitulating and relaxing their regulation to allow complete freedom of economic activity. So the world might not yet be a global village but it is rapidly becoming a global market place for these global corporations. And of course we are all benefitting from this spur to economic activity, aren't we?

To ask this question lets ask some people around the world. What about the people from Bhopal, India the scene of worst pollution incident the world has ever experienced? What about the Kalahari bushmen currently being removed from the land they inhabited for the last 10,000 years to make way for economic exploitation and treated in such a way that accusations of genocide have been made? What about the many other people in almost every country around the world who have suffered negative effects from the consequences of this economic freedom to many to mention.

We all have witnessed the effects of the actions of some of these global corporations. Recently we have seen the effects of the actions of some of these corporations within the US itself the champion of the free market. We have seen the collapse of the global accounting firm Anderson; we have seen the bankruptcy of major corporations such as Enron and Worl.com with thousands of people being thrown out of work and many people losing the savings for their old age which they have worked so long and hard to gain. And why has this happened? Basically the people running these corporations have been found out they have been out to be deceitful liars and their lies have been uncovered. But the myth of the free market is grounded in classical liberal economic theory, as propounded by people such as John Stuart Mill (1962) in the nineteenth century, which, briefly summarised, states that anything is o.k. as long as the consequences are acceptable. And there is no alternative at least if you listen to the money. Indeed Francis Fukuyama (1992) argued that with the collapse of the Berlin Wall liberal democracy had triumphed and the end of history had arrived. Many people are familiar with this argument of Fukuyama and have challenged the assertion but most are less clear that he lamented this end of history.

But history has not ended and there is an alternative to the myth of the free market and its presumed beneficial effects. We believe that corporate social responsibility provides a way forward which negates the negative effects of an unregulated free global market. All individuals have rights to pursue their own ends and to seek to better their existence in whatever terms they define this idea of better. But with alongside rights go responsibilities and obligations. For many corporations this relationship between rights and responsibilities has been lost, with the rights maintained and the responsibilities discarded. Arguably it is here that the economic war for the global village is taking place (McLuhan & Fiore 1968).

Development Stages of the Systemic Cycles of Accumulation

In modern times, the true capitalist is no longer an individual businessman but a corporation, which results in the institutionalization of the capitalist function. Greed becomes not a passion arising from human nature, but rather a consequence of the social mechanism which imposes the internal laws of the capitalist mode of production as external coercive laws on an individual, and does not allow them to retain their capital in any other way than by constantly increasing it. In this way, accumulation becomes 'the heart and core' of the capitalist function and the main driver of the system. As profits provide the internal funds for the expansion of the company, they are not even the ultimate purpose, but rather an indispensable means to ultimate ends.

If we wish to fathom the secrets of making profit from the perspective of the Critical Theory, there are several paths we can take. Many authors, following the lead of Marx's analyses, placed the labor process at the focus of research and dealt with the relationship between the possessor of money and the possessor of labor-power; others have concentrated on the tendency of the market economy to create core and peripheral locales of production through

studying colonialism and the world system. In this paper, following Braudel's (Braudel 1977, 1982; 1984) and Arrighi's (1994) analyses, we shall go to the VIP Society in which the possessor of money meets the possessor of political power. This is a club which has ensured large and regular profits for centuries, which make possible the *longue durée* of historical capitalism. This is a story about the most enjoyable business in the world: How is 'our' economy saved through playing with other people's money?

The Distinctive Character of Capitalist Power

When and how did capitalism rise above the structures of the pre-existing world market economy and gain the power to transform markets and the lives of the entire world?

Observed in a historical continuum from its late medieval sub-systemic embryo to its present global dimension, the capitalist world-economy is in its emergence and expansion inseparable from the processes of forming the state. (Braudel 1984; Arrighi 1994). In the era of Italian city-states such as Venice, Genoa, and Florence, power was placed, through the merging of the state and capital, into the hands of the 'moneyed elite'. It is this moment of transition from scattered to concentrated capitalist power that represents the true moment of birth of capitalism as a distinctive formation. This was the rising moment of a distinctly capitalist layer, which emerged as the antithesis to the layer of the market economy. The fact is that large-scale profits do not originate from the 'natural' operation of the market, but are the result of aggressive practices supported by state power. Therefore, the closed national state is what lies in the background of the development of capitalism, in which inter-state competition for mobile capital was, as Arrighi claims, the decisive component in each stage of financial expansion and the main factor in forming blocks of governmental and business agencies, which lead to the formation of the capitalist world-economy.

However, the crucial factor in creating modern capitalism, without which it is today impossible to even imagine the monetary policies of the modern state, was the concentration of power in the hands of privileged political structures which had simultaneously played the leader's role in the processes of state formation and capital accumulation. The competition of these large but approximately equal political structures makes up, as Weber (1978) emphasizes, the most essential and enduring factor which constitutes political power in the modern era. Therefore, the secret of consecutive successful capitalist expansions in the past centuries lies within a coordinate system, where one coordinate consists of inter-state competition, and the other is made up of remarkably organized political structures which have created the networks of power and accumulation capable of permanently reorganizing and controlling the social and political environment of capital accumulation on a world scale.

Here arises the question of the limit of such mechanisms, which is particularly intensified by the practice of US corporate capitalism. Will the alliances between the powers of the state and of capital eventually eliminate inter-state competition itself and annul the possibility of the emergence of a new, higher-order capitalist superpower, which would imply interrupting the course of the history of capitalism? Will the structures of US capitalism eventually reach their final limit? There is no doubt that the 'capitalist archipelago' of East and Southeast Asia represents an enormous challenge for both European and American capitalism, forcing it to undertake new reorganizations and restructurings. As Guay (1999) points out, changes in global economy are challenging the collective power of the US and the EU. The pessimistic view emphasizes the competitive or conflictual aspects of US-EU relations. A more optimistic perspective suggests that the similarities between the US and the Europe will serve to

strengthen the transatlantic bond. However, while Europe is confused and America is experiencing a mid-life crisis, Weber's dream of the global Empire of Western civilization is more appropriate as the subject of academic debates than as political reality. Andre Frank (1967) who is generally credited as the father of Dependency Theory shows that there is no single universal trajectory for development that is followed by all nations, for obviously the discrepancy between the more- and less-developed nations today is a result of at least two different development paths. Frank introduces a new term '*underdeveloped*' to characterize the condition of the presently less-developed countries since their condition is itself a product of a historical circumstances. Thus, he suggests that developed countries were never *underdeveloped*, though they may have been *undeveloped* (Frank 1967; Ruccio & Simon 1992).

The Abstract Logic of Capital and the Historical Reality of Capitalism

Starting from the thesis that capital is the most important single determinant of modern history, the question of how to approach the unique ontology and epistemology of capital inevitably arises. The dialectic of capital starts with the contradiction between 'pure' value as quantitative sociality and 'pure' use-value as qualitative materiality. What logic of capital manifests itself in distinctively different periods of capital accumulation and what are the specific types of ideological, legal and political support which allow self-expanding value to constitute a specific type of capital accumulation? While the theory of stages is at its basis structural and synchronic, the historical analysis of capitalism is in principle interested in change and causality. Understanding capital's deep structure as a whole and its inner economic logics is possible only through reflecting on capitalist dynamics in both aspects, economic and philosophical. Moreover, the synthesis of philosophy and economy paves the way for a general ontology critique from the perspective of the ontology of capital.

The fact is, Albritton (1999) believes, that our mainstream economic theory which is inherently pro-capitalist, with its abstract formalism and restricted instrumentalism, does not provide a basis for reflecting on the radical structural transformations undergone by modern capitalism. On the other hand, postmodern analyses, with their radical reduction of economic phenomena to culturological tenets and its discourse of 'undecidability', are more an apology for the existing situation than a critique of it. In contrast to such approaches, Albritton adopts the understanding of distinctive levels of analysis in political economy from the Japanese political economists Kozo Uno (1980) and Tom Sekine (1986; 1997), in which he has in mind: 1. the theory of a purely capitalist society; 2. the theory of stages of capitalist development; and 3. the theory of historical change. The approach of levels of analysis is productive because it reveals the social relations between the economic and the non-economic, thus resulting in a conversion of the logic of capital into the dynamics of economic, political and ideological institutions which promote a stage-specific mode of capital accumulation or profit-making. Albritton argues that it is the self-reifying character of capital that distinguishes it from other social subjects of knowledge, making it into an object whose deep structure can be understood through dialectic logic. Understanding the substance of the deep structure of capital is an essential precondition for every claim for structural transformations and for reflections on alternative forms of society.

The Systemic Character of the Patterns of Recurrence

Although limited by the historical context in which it was created, Marx's general formula of capital – MCM' remains an important tool for illustrating the patterns of recurrence of

historical capitalism as a world-scale system (Marx 1970). The full systemic cycle of accumulation (MCM') is constituted by two stages of capitalist development: the material expansion stage in which money capital (M) mobilizes commodities, natural resources and commoditized labor-power, and the financial expansion stage, in which accumulation continues through financial deals in which money capital is free from its commodity form. Financial expansions are symptomatic of the type of situations in which the investment of money achieves more effective results through pure financial deals than through trade and production.

Braudel's historical analysis is based on the belief that processes of financial expansions should be observed as a recurrent world-systemic tendency in the course of the development of capitalism (Braudel 1984). Arrighi (1994), following Braudel's research, identifies four successive systemic cycles of accumulation: a Genoese cycle from the 15th to the early 17th century, when the capitalist oligarchy switched from commerce to banking; a British cycle from the second half of the 18th to the early 20th century, and an American cycle, from the late 19th century through the 1970's and 1980's period until the present stage. The fundamental unity of primary agency and the structure of world-scale processes of capital accumulation are characteristic of all four cycles, in which every new cycle represents a more developed stage with respect to the previous one.

Braudel describes capitalism as the top layer of a three-tiered structure; below it is the layer of a market economy, with the layer of material life, the layer of non-economy which exists in undeveloped countries, placed at the very bottom. Consequently, unlike the conventional understanding in the social sciences which identifies capitalism with the market economy, Braudel sees capitalism as a formation which is entirely dependent on the power of the state and as such constitutes an antithesis to the market economy. The argument is that a world market economy functioned for a long time before the emergence of capitalism as a world-system.

The upper layers are directly dependent on the ones beneath, in which poverty grows in parallel to wealth. Hence, the dialectic interrelation between development and underdevelopment has a decisive significance for considering the consequences of capitalist development. Historical experience around the world over the last hundred years, shows that the introduction of capitalism into the Second World and the Third World does not solve the problem of poverty, but rather maintains it, creating new forms of dependence by marginalizing these countries in the global community. This is a phenomenon which represents a sum result of the unique historical process of capitalist development. This is what is essential in the 'technology of power' of capitalism (Mann 1986), which ensured and accelerated its territorial expansion over the last six centuries. For example, when describing the processes of forming the world market, Adam Smith (1961) does not neglect to emphasize that 'superiority of power' was the decisive factor which enabled the conquering West to seize the greater part of the benefits and impose the greater part of the costs on the conquered non-West. Unfortunately, two centuries after Smith's optimistic thesis on 'the invisible hand' of the world market economy as an equalizer of the relationships of force between the West and the non-West, which would ensure 'the observation of the rights of others', the inequality between these two worlds has not decreased but increased. Kindelberger (2000) demonstrates that Adam Smith's list of public goods was limited to national defence, law and order, and public works that it would not pay individuals to produce for themselves. Today many authors are inclined to extend the list to include stabilization, regulation, and income redistribution. At the

same time, there is a tendency to claim that such institutions as open world markets are not public goods because countries can be excluded from them by discrimination.

Arrighi directly adopts Braudel's understanding of capitalism as the 'non-specialized top layer' in the hierarchy of world trade where 'large-scale profits' are made. What makes the agency capitalist is the flexibility to switch to the most profitable lines of business and the fact that money is endowed with the 'power of breeding', regardless of the type of commodity or the area of activity. However, unlike Braudel's secular price cycles, Arrighi opted for the periodization of systemic cycles of accumulation, since the latter are an inherently capitalist phenomenon, the analysis of which can lead us to the exposure of indicators of capitalism's contradictions, gaps and expansions in the modern world system. The fact is that it is impossible, on the basis of monitoring price logistics, to determine in a valid or reliable way in which part of a cycle financial expansion will actually take place (Goldstein 1988). On the other hand, systemic cycles of accumulation indicate a continuity in the world-scale processes of capital accumulation in modern times, in which they shed light on the alternation of periods of continuous change, characteristic of the material expansion stage and the periods of discontinuous change, marking the financial expansion stage. The capitalist world-economy as a whole is renewed along a single path, in that the restructuring and reorganization stage always emerges from the stage of crisis and turbulence, which eventually recreates the conditions for stable growth.

Means and Purposes of the Corporative Network

Accumulation and the Corporation

The big corporation, which emerged from the industrial system, represents a dominant form of enterprise in the modern capitalist world and can therefore serve as an important instrument for analyzing the development stages in the evolution of capitalism, from its beginnings to the most recent era of money-manager capitalism, which has significantly changed capitalist finance and corporate governance (Minsky 1986; Dugger 1990; Whalen 1997; Van Lear 2002). Large pension and mutual funds, which today surpass the banks as the leading financial institutions, bring to the fore a new ruling elite in the form of money managers, who have influence on the flow of funds and on the price of financial assets, thus directly affecting macro-economic processes through changes in finance. Analysts point out that the ways in which finance at this stage affects investment and business cycles result in even greater inequalities in the distribution of income, which is not in harmony with the proclaimed values of 'equal opportunities' of Western democracies.

In this part of the paper, we wish to identify the crucial development stages of corporate capitalism by following the literature which describes the experience in the Anglo-Saxon cultural circle, bearing in mind that each country has its specific development path. The identification of important institutional changes of corporate capitalism comes from Van Lear (2002). It is characteristic of each business cycle that the governance system of business and the means through which companies turn capital into financial investment are influenced by the current development stage. The corporate form of business became a desirable instrument of accumulation in the second half of the 19th century, when trade capital was more and more invested in production in the industrial capitalism stage. The appearance of big enterprise on the one hand and *laissez-faire* state policy on the other facilitated wealth accumulation, which became an end in itself. The main source of funds for expansion in regional and national

markets was the retained earnings from business operations, while banks only served as short-term loan suppliers, a regime which ensured the corporations their autonomy of work.

However, this changed in the financial capitalism stage, which began in the late 19th century and lasted for the first decades of the 20th century. In this period, financial institutions promoted the allocation of capital based on competitor rates of return, in the direction of consolidating less competitive oligopolistic industries. Investment banks became the main source of long-term funding, which led to a conflict of interest regarding profit between the industrial and the financial sectors. Separating ownership from control represented an important institutional change at this stage, which led to the formation of a class of professional managers. The next institutional change that took place was a separation of the financing-speculation process and the investment-enterprise process. In this way, two separate groups, the bankers and management, became the driving force of the accumulation of capital (Galbraith 1975, 1995; Ingham 1984; Roberts & Kynaston 1995).

The rise of the managers, which continued over the next development stage in the evolution of capitalism from the mid-1930's and during the 1970's, has been described in the literature as managerial capitalism or the managerial revolution. The hallmark of this period is an active, interventionist state which used its regulations to encourage the internationalization of the flows of industrial and financial capital. This penetration of multinational companies and finance on world markets created national economic interdependence, which started the processes of opening the existing institutions and reforms in non-capitalist under-developed countries. At the same time, monopoly capital employs many and varied techniques to prevent the state from acquiring and managing directly productive capital in order to enable the full development of the social-industrial complex, i.e. the movement of private capital that seeks to take over state functions and facilities. In the end these processes will bind the state even more tightly to the needs and interests of monopoly capital and the ruling class (O'Connor 1973).

The patterns of behavior of gigantic corporations, which are at this stage financially independent of both banks and majority shareholders, are not determined by external control centers, but by the rational calculations of an internal board of directors, which enable them more and more to run policy according to their own interests. The managerial power was, therefore, based on the financial autonomy resulting from a sufficient level of internal funds for investment and from low credit costs. These processes reduced the influence of finance on macro-economic conditions and corporate government.

As a result of cost discipline in monopoly capitalism, surplus has a tendency to grow, both absolutely and relatively, with the development of the system. This, as Baran and Sweezy (1967) emphasize, is not a negation of Marx's law of the tendency for the rate of profit to fall; rather, the replacement of the law of the decline in the rate of profit by a law of the rise in the rate of surplus indicates an essential structural change which occurred when the transition was made from competitive to monopoly capitalism. Economic surplus represents the difference between total income and the expenses of production, in which the surplus amount is an indicator of society's productivity, freedom and wealth, and the composition of the surplus indicates how this freedom is used. If we wish to consider the consequences of the global policy of monopolies on the principles of action and the laws of trends in the capitalist economy, it is not sufficient to merely analyze the forces determining the total amount of surplus, but also the forces governing its differentiation and the different growth rates of its components. Whether the fruits of greater productivity will be used for the benefit of the

entire society, or whether their sole motive is the increase of profit, is not just an economic but an eminently political and ethical question. In view of the fact that the share of surplus in the national product has a tendency to grow, the demands for social control of income distribution on the basis of public policy become justified. For the company man, the corporation was only the purpose, but for the corporation network the individual is only its means, to which had been assigned in advance the role of the victim.

However, the belief that corporations were untouchable was seriously brought into question in the economic turbulences during the 1970's. This is a period when a counter-attack by the financial community, in the form of harsh and restrictive monetary policy, took place. By the 1980's, financiers became the founders of corporative overtaking and reengineering (Dugger 1998; Galbraith 1996). This gave a new impetus to the corporate sector. At the same time, the processes of reducing the responsibility of the public sector began. The ideas of free trade, currency and deregulation imposed themselves aggressively on emerging market economies.

Market liberalization and pressures for equalizing wages around the world result in a cutting of the price of labor and lowering or stagnation of the living standards of a large part of the working population. Decrease or loss of social security does not affect just labor but also the middle class, which was a symbol of the success of managerial capitalism. Savings became a new resource for inflows of capital, which now flow into pension and mutual funds. The rise of these large, non-banking financial institutions was accelerated, as Van Lear (2002) believes, by the process of transformation from managerial capitalism into money manager capitalism, which represents a new development stage of US corporate capitalism. Gradually, these financial institutions have accumulated large reserves of stocks and bonds, whereby they have become the main owners of major corporations and financiers of business investment, in such a way that they are able to stabilize and advance them, but also to hold them back and destabilize them. The novelty of this non-banking intermediation of funds is reflected in the fact that these institutions do not create money, as traditional bank-mediated lending does, but simply allocate what has been saved.

In the money-manager stage, financial and non-financial companies are intertwined. Their portfolios are made up of a mixture of capital and financial assets. Non-financial companies depend on interest income and deal in currency and financial derivatives. Financial companies are investment-oriented and offer greater support to trade than in the early 20th century. These large financial conglomerates as institutional asset holders significantly affect the corporations' way of work. At this stage, another important institutional change takes place. As the financial institutions have an increasing power in corporate governance and increasing amounts of money committed by clients, the functions of ownership and control over enterprise are more and more integrated. Regulatory changes, which expand the rights of major shareholders to influence the companies' decisions and at the same time reduce the dominance of management in the proxy machinery, also significantly contribute to these processes.

Whalen (1997) argues that money-manager capitalism creates negative social and economic implications. Narrowing the focus of corporate governance to the enhancement of shareholder value and directing the corporations on to shorter-term financial performance criteria goes directly to the detriment of workers and communities. In the last two decades, money-manager capitalism has supported the concentration of wealth in the top 20% of the population, on the one hand by promoting the restructuring of corporations and global investment, and on the other by distributing money-management services and savings

vehicles in the direction of the individuals with the highest earnings. The end result has been the development of an economy which entirely depended on a relatively small group of people. Growing inequalities force the majority of Americans to borrow more and save less, a process in which the rules of the game are set by the profits and share prices of the affluent. And, as US corporate capitalism mobilizes the dialectics between rich and poor countries on a global scale, it also behaves in a consistent way on the domestic scene, where there is a mutual interdependence between the minority of the affluent and the majority, which becomes ever poorer and more debt-ridden.

The Dual Forms of Capitalist Power

It is extremely important at this point to single out the patterns of recurrence and describe the anomalies of the present stage of financial expansions. The breakdown of Fordism and Keynesianism is an explicit sign of the strengthening of empowerment of finance capital with respect to the nation state (Harvey 1990). The key feature of the new regime of 'flexible accumulation' is the radical transformation of financial instruments and the market on a global scale. It is characteristic of all past financial expansions that flows of capital were directed from declining to rising centers. However, current financial expansion differs from this pattern.

In its foundation, the monetarist counter-revolution of the 1970's caused a Keynesian understanding of the role of the state in the regulation of capitalism, returning to pre-Keynesian emphases on the role of money and the market. Cleaver (1996) believes that the failure of Keynesianism is on the one hand the consequence of the inability of monetarist regimes to strengthen the correlation between money and exploitation, and on the other, the failure of this intention arises from labor's insubordinate power which lies 'at the heart' of the capitalist crisis. Although some believe that the ideas of monetarism above all provide an alibi to the populist ideology of the New Right, the fact is, says Clarke (1988), that the rise of monetarist 'politics of austerity' cannot be interpreted in terms of contingent political developments, since these are systemic developments which should be considered throughout the capitalist world as a response to crisis. Restrictive financial policies aim to renew financial stability, but at the expense of higher interest rates and cuts in public expenditure, which bring the economy into recession, making surplus capital available, which is the consequence of a lack of profitable opportunities and forces financiers to a global route-march. Accumulation in the metropolitan centers exceeds the supply of raw materials, particularly oil, which jeopardizes the stability of the leading economy.

The rise of monetarism, Clarke believes, does not emerge as the consequence of conflict between different sections of capital – financial and industrial – because multinational corporations make up the driving force of accumulation on the world scale, which are as financial holding companies closely integrated with multinational banks and financial institutions which freely mobilize their capital, close factories, redirect funds, and initiate productive and speculative investments. The new accumulation regime, aided by new forms of regulation, changes the methods of profit squeeze, which result from a system based on 'flexible specialization', application of the microelectronic revolution to production and services, 'commodification' of the public sector, the 'Japanization' of industrial relations, globalization of accumulation and a growing segmentation of the labor force into core and peripheral labor on a world scale. Consequently, the conflict between the needs of the domestic economy and the interests of multinational capital becomes the conflict of interest between global capital and its opponents in the form of global citizenship, whose initiatives

aim, above all, to bring capital under social control. Inevitably, the relations between capital, the working class and the state are fundamentally changed.

The power of money is not the power of banks and financial institutions, but rather the power of capital in its most abstract form. It is the power of command over commodities, including the power over the labor-force as a commodity, and, as such, it represents an irreducible form of the social power of property. However, the alternation of successive stages of structural integration of capitalist accumulation cannot take place through mere market mechanisms without the activity of the state and related forms of regulation. The Keynesian welfare state was in the function of systemic forms of regulation, appropriate for the 'regime of accumulation', which was marked by the dominance of Fordist production. Monetarism does not involve the withdrawal of the state from economic regulation, but rather opens up the space for new forms of state regulation, which supports post-Fordist accumulation.

The regulation approach offered by the French 'Regulation School' is important because it has turned attention to the systematic character of the regulation of capital accumulation, in which money is understood as the instrument of regulation of social and political relations in the accumulation regime (Boyer & Saillard 1995). Boyer emphasizes that the theory's relevance 'does not derive from an analysis of stabilized regimes, but rather from its capacity to detect and anticipate probable sources of crisis: *régulation* and crises are linked intimately as two sides of a coin' (Boyer 1995: 2). According to Aglietta (2000), the need for a theory of capitalist regulation derives from the need to construct a methodology which will expose the full meaning of imperialism. The existence of multinational corporations would not be possible without a system of states maintaining stable relations of unequal influence. It is the penetration of state into civil society that enabled the generalization of the wage relation on a world-wide scale. The challenge of the present time is to reaffirm solidarity as the main agent of social cohesion, which will lead to a process of radical tax reform and to a redefinition of social rights. Solidarity as a collective value negates populism and nationalism of today's wage societies. However, on the other hand, the principal weak point of the structural functionalism of the approach of the 'Regulation School' arises, as Clarke believes, from the fact that it loses sight of the theory of money and the state as the dual forms of capitalist power. In this way, this approach loses sight of the continuity of historical transformations of capitalist reproduction and the form of the capitalist state.

Within the framework of the German debate the task of the theory of the state was to explain the particular form of the capitalist state. The state was analysed in its dual role which was determined by the 'accumulation' and 'legitimation' functions. Offe (1984) argued that 'crisis of crisis management', i.e. political crisis arises when the state can not reconcile the conflicting demands made upon it. Offe believes that the conflict can be resolved through the democratization of civil society. But, as Clarke (1991) objects, this is the way how he avoided to confront both the power of capital and the power of state. Hence, the political task of nowadays is not to reject traditional class politics, in favour of the politics of 'new social movements', it is to develop new forms of struggle, both in terms of organization and goals which could challenge the alienated forms of capitalist power. Holloway and Picciotto (1991) consider the crisis of the state as a particular form of manifestation of the crises of the capital relation, i.e. as a crisis of an historically specific form of class domination, a crisis of accumulation.

Above all, monetarism is a response to the crises of overaccumulation of capital with respect to the possibility of its profitable employment, which brings into question the predominant

institutional forms of regulation of capital accumulation. Therefore, this crisis is not simply a crisis of profitability, but rather a structural crisis, which is the result of obstacles placed before accumulation by the technological possibilities of the third industrial revolution (Beardwell 2002).

The rapid development of information and communication technologies (ICTs) intensifies, as Little (2002) believes, the sudden development of global economic integration on the one hand, but on the other, it creates new forms of locational and functional differentiation, leading to new inequities. The centripetal production model is replaced by the distributed form, which means that the transnational companies must make complex locational decisions for every part of their production chain. Disaggregation of the production chain has led to a degree of supervision and control which was never possible before. The distributed production chain network facilitates the layering of the labour markets by the developed economies which conduct these processes. Little is particularly concerned about the fact that, in distributed globalisation, the production of intellectual capital can be separated from the production process which is more and more often marginalised. The pressures on local communities are exerted on the level of regions and national states.

The Power of Money and the Power of the State

The significance of Clarke's analysis, based on experiences from the British cultural circle, arises from the fact that he managed to demonstrate that a political and ideological crisis caused by the crisis of excessive accumulation cannot be reduced to economic and structural logic, as it was determined by the development of the class struggle within specific social, political and ideological forms. The crisis of Keynesianism represents an expression of the contradiction between the capitalist form of state and the global overaccumulation crisis. Hence, questions inevitably arise regarding the relationship between the internationalization of capital, the struggle of the working class and the national state. The essential theoretical problem opened up by the debate between monetarism and Keynesianism is the relation between the power of money and the power of the state.

Clarke follows the theoretical efforts concentrating on reconsideration of the Marxist theory of money. In this context, debates which explore the differences between Marx's and Ricardo's understanding of value through the analysis of Marx's labor theory of value deserve particular attention. For Marx, value does not correspond to Ricardo's embodied labor, but to abstract labor which comes in the form of money. The distinctiveness of Marx's theory, stresses Clarke, lies above all in 'the idea of money as the most abstract form of capitalist property and hence as the supreme social power through which social reproduction is subordinated to the reproduction of capital' (Clarke 1988:13-14). Money represents the most abstract form of capital whose power is institutionalized in the law and enhanced through the state. The appropriate response of the left is *to bring capital under social control*.

The rise of capitalism resolved the crisis of the pre-capitalist state through radical separation of the state from civil society. Political economy gave a theoretical legitimacy to this separation of the state's political power from the social power of money. It placed the relation of money, the state and the law into a structural-functional relation based on the market as the means through which particular interests are subsumed to the general interest. Here, money is present only as the means of circulation through which conflicting interests of different social groups in the capitalist society are reconciled within the law of property. Hence, in this concept, money represents an expression of the rule of reason.

The essence of Marx's critique of political economy relies on the claim that money is not a means of circulation, but rather an independent form of value. This means that money is first and foremost the expression of the rule of capital. The social power of capital is not embodied in a specific person or company but in the social power of money. The power of money manifests itself through the subjection of social production to reproduction of capital. Consequently, Clarke concludes, money and law are social forms through which civil society and the state are subordinated to the power of capital.

However, it is equally important that they are the instrument through which the ruling class strives to resolve two fundamental contradictions of the liberal state. The first contradiction is the one between the class character and the national form of the capitalist state. The point is that the state is required to ensure the reproduction of capital and, at the same time, to protect the national interests against all individual interests. This problem, appearing in the form of the political and social aspirations of the working class, is resolved by its limitation in the form of the wage and the constitutional form of the state. In this way, the accumulation of capital at the national level is ensured, but at the same time, a step towards the second contradiction of modern state, the one between the national form of the state and the global character of the capitalist accumulation, is made.

In contrast to the generally accepted, or at least the loudest thesis in recent debates, according to which the state surrenders its authority to corporations in the global era, Aronowitz (2003) believes that nation-states play a significant role in the globalisation processes. Moreover, as Hardt and Negri (2003) emphasise, a few dominant nation-states rule over global economic and cultural flows.

The basic problem of the present time according to Burnham (1996) is the spatial dimension of the global crisis of capital, in the sense that the crisis is shifted towards certain countries and regions, thus achieving unbalanced development. Thus, the crisis of capital becomes the crisis of the international state system. It is the cause of a number of disequilibria in production and trade across the globe. States respond to crises arising from the subordination of the national state to global money through political terms, which means that «politics» are not to be interpreted separately from economics.

According to Burnham, national states are theoretically best established as differentiated forms of global capitalist relations. They support the global mobility of capital and offer institutional schemes for securing international property rights. From that arises their responsibility for mobilising resources in refashioning international political and economic relations within the inter-state system.

Burnham challenges the anti-statist rhetoric of free enterprise with his concept of the state as the essential «independent form», which must be separate from private interests. As an instance of general concern, the state reconciles the contradiction between private and common interests through formal and regulatory activities. Following Marx's analyses, he draws attention to the fact that the state is neither autonomous nor related to the economy, but should be observed in the totality of social relations, in which its distinctive form depends on how the ruling classes control the conditions of production in order to ensure the extraction of surplus labour from the immediate producer. This means that the tensions between the national states and the global economy represent a part of the crises of the society as a whole. National states based on the rule of money and law as fetishised forms of the power of capital

are at the same time restricted by the limits imposed by the over-accumulation crisis of capital on a world scale. Also, they must deal with the consequences of the struggles between the labour and capital on the global level.

In the current stage of capitalist accumulation, subjugation is institutionalised through the major international economic and financial organisations. These international agencies embody the neo-liberal orientation of global capitalist interests, in which the American Secretariat of the Treasury plays a vital role in mobilising the finance capital for their activities. In this context, the following question becomes crucial: Which countries will obtain the advantage from the governing bodies of these institutions in the allocation of aid, and under what conditions? From Russia to Africa, South-East Asia and Latin America to the transition countries of Eastern Europe and back, the pattern is the same: the countries which do not accept neo-liberal austerity measures will be deprived of development funds. After the fall of the Soviet bloc in 1991 and the installation of the US as the only major world military force, and also the achievement of the final goal of the Truman Doctrine – the integration of the European and American armies – there are no further reasons to be subtle. If, after World War II, under the veil of loans, humanitarian aid and democracy, the Marshall Plan had to push a new realignment of the global economic and political power in which the US, backed by its “military-industrial complex”, would take a dominant position, in the age of globality all masks are off.

The World Bank and the IMF exercise conditioned power by explicitly claiming the right to the control and surveillance of the social and economic policies of the countries relying on their aid. Loans are directly conditioned by the implementation of market policies, which imply the requirements for structural adjustment, involving the disciplining of labour through intensifying mass layoffs, cutting wages and salaries and renouncing many work and health benefits. In other words, the problem of accumulated debt, currency instability and mass protests in the developing countries, as well as the failures of its own operational efficacy are solved by the neo-liberal control over international relations at the cost of bringing down the standard and quality of living of the working population in poor countries.

Pauperisation, therefore, remains the price of gaining wealth, but the positive result of these policies of fiscal austerity is an active global civil society which, particularly in the US and Western Europe, challenges the global financial architecture and demands that the global state be subjected to a new, albeit, as Aronowitz observes, still non-articulated notion of global citizenship.

Accountability of the international economic institutions arises from the fact that they lay down the rules of the game, in which, as Stiglitz (2002) emphasises, they are led by the specific interests of certain circles within the more advanced industrialised countries, ignoring the interests of the developing world. Consequently, these institutions have failed to meet their supposed objective – global economic stability, which resulted in them losing credibility, not only in the countries immediately affected by their failures but in the financial community itself.

The mind-set and the modes of behaviour practised by the IMF exemplify power relations at an international level. On the one hand, the Fund's stance is the IMF officials' belief in institutional infallibility, and on the other there is its patronising attitude to developing countries. Hence, the Fund would never: 1. discuss the uncertainties and risks related to the policies it recommends; 2. ask why errors have occurred or what was wrong with the models

applied; 3. ask why these models *systematically* underestimate the depth of recessions; 4. learn from previous experience; 5. ask why its policies are *systematically* too contradictory. Moreover, even in the case of 'hard' data such as economic statistics, in many instances the projections for GBP in certain countries are mere figures to be negotiated as a part of the IMF programme, rather than facts. (Stiglitz 2002) There is no doubt that the IMF and the global financial system require fundamental changes. Transparency is only one, but a significant step down that road, because, as Stiglitz reminds us «... the IMF is not a private bank; it is a public institution» (Stiglitz 2002: 228).

In a similar manner, the designing of the European Monetary System started with the ambition to establish a currency stability zone in Europe, through the Exchange Rate Mechanism, which entered into force in 1979, and a quasi-currency called ECU (European Currency Unit) as a transitional modality to a real currency. From the beginning, the European governments have recognised Economic and Monetary Union as the essential political concept, which in the early stage of these processes was pushed forward in the form of monetary integration, owing to the resistance of the European electorate towards constitutional integration. The concept of the European Union which at the present day has gained prevalence over other options is based on a mobile structure, the underlying doctrine of which is the *acquis communautaire*, which means that each new step towards integration is irreversible. This project has been broadly accepted by European big business, for which the EMU has meant regional currency stability, allowing it to plan capital expenditure, budget costs and revenue with greater assurance. The door was wide open for the new monetary order; the winners were the integrationists with their claim that the markets should be all-powerful, and security collective, despite numerous doubts and resistances.

The fact that the citizens have had no say in the matter ought to be the subject of in-depth analyses. The democratic deficit of today's European Economic and Monetary Union, as Leach (1998) believes, arises from the fact that the direction of its economy becomes increasingly disconnected from the will of people. R. Barr, former French premier and European Commissioner, articulates it precisely: «I have never understood why public opinion about the European idea should be taken into account.» For that very reason, challenging the hierarchical power structures, as well as defying the monologues of those who believe that they are 'always right' and who take the liberty of speaking on behalf of those who are deprived of that right are what we take on as our strategic task. Step by step, word by word.

Towards the socially responsible finance in a global village

One aspect of the actions of an organisation which is very prominent at the present time is what is known as corporate social responsibility (CSR). It is often thought that profit and socially responsible behaviour are incompatible with each other. However, there is no evidence that corporations which engage in socially responsible behaviour perform, in terms of profitability and the creation of shareholder value, any worse than do any other corporations (Crowther 2004 a).

In this paper, we challenge the conventional opinion on incompatibility of profit and socially responsible behavior and argue that the organisations which incorporate social audit and accountability in management into their operation improve their profitability. This paper aims to open up a debate on managing finance in a socially responsible manner and to show that accounting techniques can be used in such a way as to simultaneously support both corporate

social responsibility and profit-maximizing behaviour. Capitalism required the ability to precisely measure activities and this was the founding basis of management accounting. Indeed it has been argued that capitalism and the Industrial revolution would not have been possible without the techniques of double-entry bookkeeping and its subsequent metamorphosis into management accounting. This accounting provided the mechanism to make visible the activities of all involved in the capitalist enterprise and to record both the effects of past actions and the expected results of future actions. In so doing, however, a need was created to control the efficiency of the processes and to attach an internal price, or more precisely a cost, to the processes now performed within the organisation. These systems thus provided quasi-market metrics that enabled managers to gauge the efficiency of the economic activity taking place within the organisation (Crowther 2004c).

The modern financial manager is likely to be required to provide information for management decision-making covering a vast array of activities which have financial implications, including decisions on sources of finance, project appraisal, dividend policy working capital requirements and potential acquisitions and merges. The financial manager is thus both concerned with providing information to aid management in its decision-making in the long term (for example, on debt and fixed assets) and in the short term (for example, on the availability of cash). However, when interpreting cost and sales and gross profit, especially for comparative analysis, we must be aware that there may be distortions arising from differential accounting methods (for example, in the application of alternative methods for valuing stocks and the fixed assets). Financial performance comprises just one aspect of performance which we might wish to analyse. The other aspect of performance which is of interest is social responsibility.

Accounting traditionally remains focused upon the actions of the organisations and ignores the effects of the organisation upon its external environment. However, as Dahl (1972: 18) pointed out

‘... every large corporation should be thought of as a social enterprise; that is an entity whose existence and decisions can be justified insofar as they serve public or social purposes’.

A growing number of writers have recognised that the activities of an organisation impact upon the external environment and have suggested that one of the roles of accounting should be to report upon the impact of an organisation in this respect. Such a suggestion first arose in the 1970s and a concern with a wider view of company performance is taken by some writers who evince concern with the social performance of a business, as a member of society at large. This concern was stated by Ackerman (1975) who argued that big business was recognising the need to adapt to a new social climate of community accountability but that the orientation of business to financial results was inhibiting social responsiveness. McDonald and Puxty (1979) on the other hand maintain that companies are no longer the instruments of shareholders alone but exist within society and so therefore have responsibilities to that society, and that there is therefore a shift towards the greater accountability of companies to all participants. Accounting is intimately involved in the creation of meanings. Hence it is important to distinguish between financial accounting and management accounting.

Puxty (1999) makes a good point:

Unlike financial accounting, management accounting is intended to affect the internal processes of the organisation. It seeks not only to change people’s behaviour (through standard costs and budgets – what

text writers like to call accounting for control) – but also to change their *consciousness*; it seeks to make them ‘cost-conscious’, and more amenable to control, because that is necessary for the benefit of the employer.

(Puxty 1999: 69)

Management accounting, like other business functions, has had to respond and adapt to reflect the increasing complexity of business. Moreover, the challenges and the pressures that have influenced the evolution of the finance function differ not only over time, but also as a consequence of the differing governance structures of countries. There are four forces which determine the governance structure facing firms. These are. 1. the structure of company boards; 2. general societal pressures; 3. the regulatory and legal environment and 4. the pattern of ownership. The impact of these four pressures on companies will vary between countries and, therefore, may account for differences in the way companies are managed in different countries. Indeed, some have argued that differences in governance systems affect not only company performance, but also national economic performance. Financial performance is often interpreted differently in various countries due to variations in accounting regulations which impact on the external reporting, through company accounts. The major differences relate to the sources of control that management are subjected in various countries. In Japan and Germany, for example, share ownership is relatively concentrated, with financial institutions, the main banks in Japan and the universal banks in Germany, participating closely in the running of companies. There also exist within these two countries widespread corporate cross-holdings, where companies own shares in each other. However, within Japan and Germany the extent of external control through takeover process has been limited, although there are signs that this is becoming less true nowadays. In US, by contrast, external control is far more evident, and takeovers are seen as a major way of disciplining inefficient management. The two systems are often described as market-based, for the US, and relationship-based for Germany and Japan. One view is that the relationship-based system has advantages in that the closer relationship between managers and owners allows companies to maintain a longer-term perspective. Whereas the fear of takeover and the need to placate a diffuse group of shareholders cause managers in market-based systems to adopt a more short-term perspective, which is damaging for company performance. However, the debate regarding the relative merits of the two systems of governance is far from settled.

Closely connected to these issues is the way in which new technology is bringing about the global village. The increasing availability of access to the Internet has been widely discussed and its effects suggested, upon both corporations and upon individual members of society (Ruskoff 1997). For corporations much has been promulgated concerning the opportunities presented through the ability to reach a global audience and to engage in electronic retailing; much less has been said about the effects of the change in accountability provided by this medium. Much of what has been said is based upon an expectation that the Internet and the World Wide Web will have a beneficial impact upon the way in which society operates (Holmes & Grieco 1999). Thus Sobchack (1996) argues that this technology will be more liberating, participatory and interactive than previous cultural forms while Axford (1995) believes that it will lead to increasing globalisation of politics, culture and social systems. Much of this discourse is concerned at a societal level with the effects of Internet technology upon society, and only by implication, upon individuals within society. It is however only at the level of the individual that these changes can take place. Indeed access to the Internet, and the ability to communicate via this technology to other individuals, without regard to time and place, can be considered to be a revolutionary redistribution of power (Russell 1975) a redistribution in favour of us all as individuals. Moreover the disciplinary practices of society (Foucault 1977) breakdown when the Internet is used because of the lack of spatial contiguity

between communicants (Carter & Grieco 1999) and because of the effective anonymity of the communication which prevents the normalising surveillance mechanisms of society (Clegg 1989) to intercede in that communication. Thus the Internet provides a space for resistance to foment (Robins 1995).

Of particular interest however is the way in which access to the technology to use the Internet can redefine the corporate landscape and change the power relationship between large corporations and individuals. In this respect the changes in these power relationships can be profound and even revolutionary. The technology provides a potential challenge to legitimacy and can give individuals the ability to confront large corporations and to have their voice heard with equal volume within the discourse facilitated by cyberspace. In this respect the power imbalance is being equalised and we are moving from a global marketplace to a truly global village.

Conclusions

In this paper, through genealogical analysis of the successive regimes of capitalist accumulation, social forces leading to the emergence of the capitalist world economy are analyzed. Following Braudel's conceptualization of capitalism and Arrighi's periodization of systemic cycles of accumulation, the authors focus on the patterns of recurrence of financial expansions enabling capitalism to revitalize itself through crisis; in this, crisis is considered in both aspects – crisis-as-restructuring and crisis-as-rupture. Unlike the conventional understanding in the social sciences which identifies capitalism with the market economy, Braudel sees capitalism as a formation which is entirely dependent on the power of the state and as such constitutes an antithesis to the market economy. The argument is that a world market economy functioned for a long time before the emergence of capitalism as a world-system.

Financial expansions are symptomatic of the type of situations in which the investment of money achieves more effective results through pure financial deals than through trade and production. The ways in which finance aided by the blocks of governmental and business agencies in the present stage affects investment and business cycles result in a progressive increase of inequality between rich and poor countries, as well as inequality within the most developed countries. These processes are not only inconsistent with the proclaimed values of 'equal opportunities' of Western democracies, but also jeopardize the stability of the world economy. The authors challenge the conventional opinion on the incompatibility of profit and socially responsible behavior and argue that the organizations which incorporate social audit and accountability in management into their operation improve their profitability. This paper aims to open up a debate on managing finance in a socially responsible manner and to show that accounting techniques can be used in a such a way as to simultaneously support both corporate social responsibility and profit-maximizing behavior. This could be the way towards a structure of society in which humanity will exist as an end in itself, rather than a resource for the accumulation of money.

However, the crucial factor in creating modern capitalism, without which it is today impossible to even imagine the monetary policies of the modern state, was the concentration of power in the hands of privileged political structures which had simultaneously played the leader's role in the processes of state formation and capital accumulation. The competition of these large but approximately equal political structures makes up, as Weber (1978) emphasizes, the most essential and enduring factor which constitutes political power in the

modern era. Therefore, the secret of consecutive successful capitalist expansions in the past centuries lies within a coordinate system, where one coordinate consists of inter-state competition, and the other is made up of remarkably organized political structures which have created the networks of power and accumulation capable of permanently reorganizing and controlling the social and political environment of capital accumulation on a world scale.

Here arises the question of the limit of such mechanisms, which is particularly intensified by the practice of US corporate capitalism. Will the alliances between the powers of the state and of capital eventually eliminate inter-state competition itself and annul the possibility of the emergence of a new, higher-order capitalist superpower, which would imply interrupting the course of the history of capitalism? Will the structures of US capitalism eventually reach their final limit? There is no doubt that the 'capitalist archipelago' of East and Southeast Asia represents an enormous challenge for both European and American capitalism, forcing it to undertake new reorganizations and restructurings.

The penetration of multinational companies and finance on world markets created national economic interdependence, which started the processes of opening the existing institutions and reforms in non-capitalist under-developed countries. Historical experience around the world over the last hundred years, shows that the introduction of capitalism into the Second World and the Third World does not solve the problem of poverty, but rather maintains it, creating new forms of dependence by marginalizing these countries in the global community. Market liberalization and pressures for equalizing wages around the world result in a cutting of the price of labor and lowering or stagnation of the living standards of a large part of the working population.

The rise of monetarism, Clarke believes, does not emerge as the consequence of conflict between different sections of capital – financial and industrial – because multinational corporations make up the driving force of accumulation on the world scale, which are as financial holding companies closely integrated with multinational banks and financial institutions which freely mobilize their capital, close factories, redirect funds, and initiate productive and speculative investments. The new accumulation regime, aided by new forms of regulation, changes the methods of profit squeeze, which result from a system based on 'flexible specialization', application of the microelectronic revolution to production and services, 'commodification' of the public sector, the 'Japanization' of industrial relations, globalization of accumulation and a growing segmentation of the labor force into core and peripheral labor on a world scale. Consequently, the conflict between the needs of the domestic economy and the interests of multinational capital becomes the conflict of interest between global capital and its opponents in the form of global citizenship, whose initiatives aim, above all, to bring capital under social control. Inevitably, the relations between capital, the working class and the state are fundamentally changed. The challenge of the present time is to reaffirm solidarity as the main agent of social cohesion, which will lead to a process of radical tax reform and to a redefinition of social rights.

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**THE FUTILITY OF EXCESS, OR: WHERE'S THE ONE WHO
UNDERSTANDS THE DATA?**

Peter Pelzer



- *abstract* -

The topic of this conference – excess – indicates that there is something which can be exceeded up to an ultimate point where an exaggeration, a more than too-much can be stated. This requires a measure, an image of what is a sufficient amount and where the boundary between the normal, the too much and the excess lies.

The current introduction of an international framework tries to give a response to a double excess. Therefore this presentation takes a lot of at first sight boring stuff as a starting point. However, it surprisingly offers a valuable insight from an unexpected side. The story is provided by the international regulators of the financial markets and their attempt to deal with the inherent and increasing risks of the financial markets. The keyword for this is Basel II. The framework's construction is discussed and taken as a reaction to a double excess: the excess of the markets should have been tamed with an excess of data. Basel II is interpreted as the insight into the futility of the sole quantitative reaction and the attempt to meet the problem on another level. General insights of the characteristics of rules are discussed and interpreted. The a bit annoying insight of the retrospective character, i.e. that a rule's meaning is (re-)constructed when it is applied is confronted with a leading supervisor's interpretation of the Framework. It seems that practice, consciously or unconsciously applies avant-garde theory.

This development is contrasted with Baudrillard's ideas of excess. His "essay about extreme phenomena", as the subtitle of his book "the transparency of evil" (1992) is, suggests that we are liberated from any restraint and live in the time after the orgy. How can a regulation be developed with the clear expectation that it will prevent the consequences from excess, even prevent the excess itself?

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The futility of excess, or: where's the one who understands the data?

Denkt an eine Zahl,
 nehmt sie mal zwei, mal drei,
 erhebt sie zum Quadrat. Und streicht sie.

Think of a number,
 Multiply it by two, by three,
 Square it. And delete it.¹

Mac Neice

In the following I am going to talk about a lot of at first sight boring stuff which surprisingly offers a valuable insight from an unexpected side. The story is provided by the international regulators of the financial markets and their attempt to deal with the inherent and increasing risks of the financial markets. The keyword for this is Basel II. The framework's construction is discussed and taken as a reaction to a double excess: in the construction of the first Framework the excess of the markets should have been tamed with an excess of data. Basel II is interpreted as the insight into the futility of the sole quantitative reaction and the attempt to meet the problem on different level. General insights of the characteristics of rules are discussed and interpreted. The a bit annoying insight of the retrospective character, i.e. that a rule's meaning is (re-)constructed when it is applied is confronted with a leading supervisor's interpretation of the Framework. It seems that practice, consciously or unconsciously applies sophisticated theory and develops a point of view which was unimaginable in the past.

Life in the time after the orgy

When talking about excess in economic terms the phenomenon of bubbles easily comes to mind. To remind people who took part in or just watched the dot.com hype that these kinds of bubbles are by no means recent developments, commentators often referred to the Tulip Mania in the early 17th century in Holland. First a fashion among the wealthy people in Amsterdam collecting rare varieties of tulips became a matter of speculation. It had a very slow beginning as long as it was restricted to the collectors. However, the demand grew and soon was higher than the production. The market expanded further when the popularity of the flower filtered to the middle class. The following exploding growth made tulip bulbs an item of professional exchanges where market participants were only interested in trading and not in the beauty of the flowers. The prices increased steadily and created a confidence in this development as natural. More people of every class were attracted and traded bulbs by entering the market with selling most of their properties. The result were ridiculously high prices at the climax of the speculation. In 1636 tulip bulbs were officially quoted at the Amsterdam Stock Exchange, but only a year later the bubble crashed. As soon as the conviction spread that this price inflation could not go on forever, the market collapsed. Those who had borrowed money and sold their property for taking part in the speculation went bankrupt when the prices fell to ten percent of its climax.

It was Jean Baudrillard who provided us with a provocative text on excess. He claims that we live in a time where all boundaries have been transgressed, we have experienced liberations in every aspect, politically, sexually, economically. Everything, the women, the kids, the unconscious, the destructive forces, the art have been liberated. We moved along all ways of production and virtual

¹ My apologies for the perhaps crude re-translation. I'm sure that Mac Neice wrote much more elegantly. I wasn't able to get hold of the original.

over-production, of objects, of signs, messages, ideologies and entertainments. Today everything is liberated, the game is over, and we have to face the question: What to do after the orgy? (Baudrillard 1992: 9). As we have realised all liberations we live in the state of realised utopias which paradoxically means that we have to live as if the utopias had not been realised. What is left is to simulate all the scenarios which have already taken place, to hyperrealise them, in Baudrillard's words (Baudrillard 1992: 10). The result of liberation is endless circulation, is the existence in the orbit. The liberated things are permanently on the move and therefore increasingly undetermined. Nothing disappears by ending or dying but by proliferation, infection, saturation or transparency, exhaustion or extermination, by epidemics of simulation, by transformation into the secondary existence of simulation. There is no fatal disappearance anymore, just fractal dissipation.

If the things, the signs, the actions are liberated from their idea, their essence, their value, their roots and their purpose, they enter endless self-reproduction. The things go on working while their idea has been lost. They function devoid of their original meaning. The paradoxical fact is that the things even work better and they take up speed. This is not only an accurate description of the Tulip Mania – the collection of bulbs is a liberation from the basic idea of growing tulips, trading bulbs at a stock exchange is the stage of endless self-reproduction, indifferent to the bulbs' meaning, at higher speed – but also connects Baudrillard's image of excess to global financial markets. The image of the orbit bears a strong resemblance with the well known image of investment bankers having billions of Dollars and Euros circulated around the globe in ever faster orbital moves searching for another investment opportunity. Though perhaps an exaggeration, this description nevertheless gives an idea of the dimension of the financial transactions in question. These sums exceed the annual GDP of most countries. A few examples for the financial transactions meant here are:

- The endless circulation of immense amounts of currencies around the globe, all too often successfully destabilising the exchange rates of those currencies speculated against.
- The mobilisation of gigantic sums for hostile take-overs (that the mergers or take-overs were often paid with shares of the overtaking company is a fact supporting Baudrillard: hyperreal payment, not with money but with a promise from the future resulting from the hope of increasing – orbital – funds)
- All the financial instruments like futures, forwards, options, swaps, etc. which were once created as a form of risk management in volatile commodity and exchange markets nowadays exceed the physical deliveries many times over.
- The speculation in rising real estate prices which e.g. had a major impact in the crisis of Japanese banks during the nineties or the building boom in East Germany which turned out to be based on a far too optimistic prognosis on the economic development and resulted in far too high prices and therefore too high exposures for the bank. These may become threatening for the banks when the prognosis turns out to be unfounded.
- In 1974 German supervisors withdraw the banking license for Herstatt bank. This signalled the largest bankruptcy in the banking industry in Germany after World War II. The reason for the bank's failure lay in the uncontrolled and almost unlimited engagement in huge deals in international foreign exchange markets. The Owner and CEO of the bank was proud of the enormous profits for several years, did not set adequate limits and didn't employ an adequate risk management. In the end, it was tried to cover up the foreseeable losses with balance sheet manipulation.
- In 1995 Barings Bank suffered a similar fate. It was an individual trader who was able to hide his increasing portfolio imbalances and tried to balance them with ever higher deals. The market did not develop according to the dealer's expectation and the level of

exposure became too high to be fulfilled by the bank. Basically Barings, like Herstatt, failed because of a lack of effective risk management.

Except for the tulip hype and the Herstatt bankruptcy the examples are taken from a point in the development of the financial markets when sophisticated risk management systems were already in place. The question is of course how to avoid the excesses and if that should turn out to be impossible, how to control the effects once the orgy is over and the hangover remains, i.e. what can be done to handle the potentially disastrous effects of realised risks? For the banking industry the Basel Committee seeks an answer with the Framework presented. This will be discussed with special interest in the emergence of rules and regulations in general.

The futility of excess, or: where's the one who understands the data?

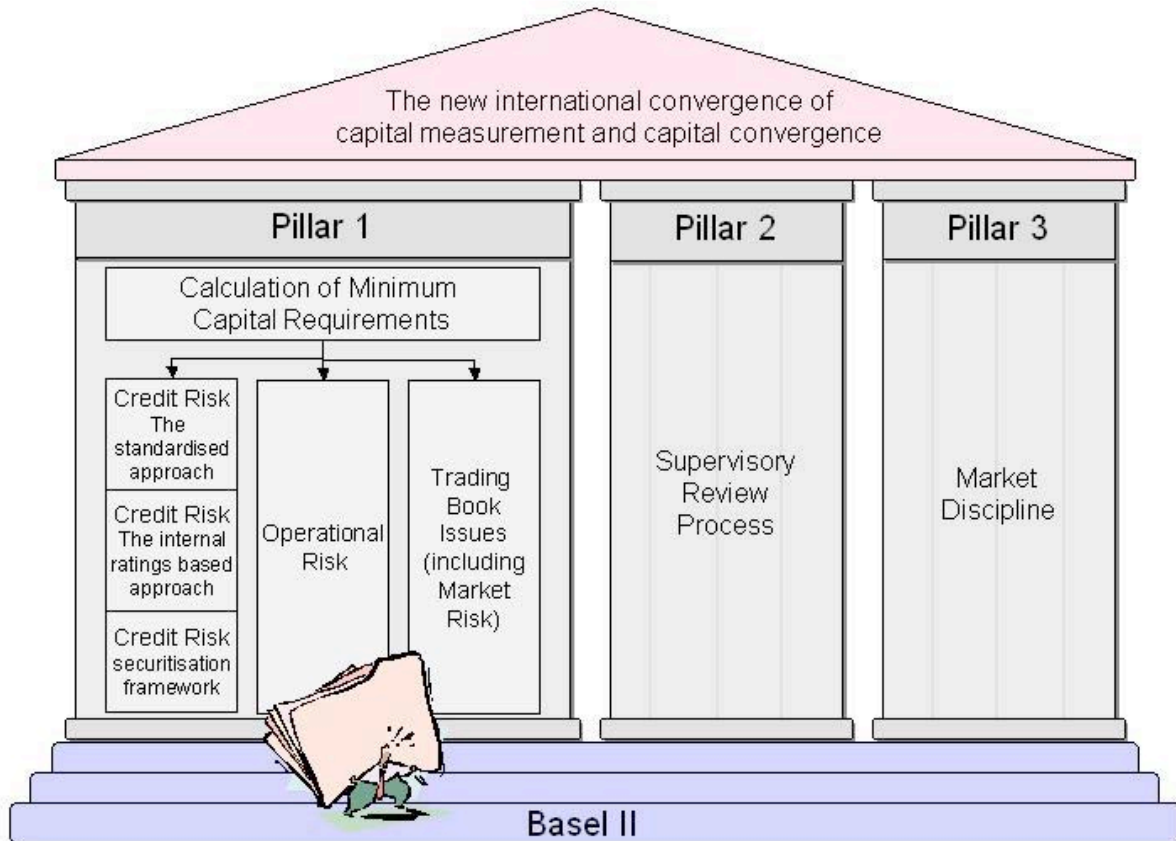
Presently the most costly projects in realisation in the banking industry are connected with the term Basel II. The Roman number 2 indicates that it is not the Swiss city which is meant but that the name serves as a synonym for an international negotiation which is so complicated that a common denominator has to serve as an indicator to describe the whole topic. The reason why Basel was chosen is obvious. This is the central secretariat of the committee on banking supervisions. Founded by ten presidents of national banks (Belgium, France, Germany, Italy, Japan, Canada, Luxemburg, the Netherlands, Sweden, Switzerland and the USA) in 1975 it was situated with the Bank for International Settlements (BIS) in Basel. The BIS is an international organisation which fosters cooperation among central banks and other agencies in pursuit of monetary and financial stability. Above that it offers banking services exclusively to central banks and international organisations (www.bis.org). The Basel committee on banking supervisions, or the Basel committee, as it is called, serves as a coordinator of international regulations. It has no legislative power and no regulatory authority but its recommendations influence the national as well as the EU legislation and regulation on financial markets.

The reason for these activities was not exclusively the result of an analysis of the increasing complexity and volatility of financial markets. That the markets had changed and achieved a new level of risk was demonstrated by the collapse of Herstatt bank. The loss of assets and especially of trust into the banking system which dominated the public discussion by that time, was the clear sign that the failure of a single bank may have severe impacts on the whole financial system of a country and, if large enough, even of the global financial markets. The foundation of the Basel committee can thus be seen as the initial reaction of the international regulators to prevent the markets from the consequences of failures of single banks. The aim was to strengthen the soundness and stability of the international banking system.

The Basel committee is also a lesson about the amount of time it takes to agree on a set of rules to be implemented in every country. This was not only due to the dynamics of negotiations in such committees with diverse interests but also with justified peculiarities of national markets. It lasted until 1988 to finally publish the first Basel accord, known as Basel I. It had to be implemented and effective from 1992 onwards. This first step was the capital adequacy of credits. The basic idea is to make sure that a bank can survive the loss of even its largest credit. Therefore any credit handed out has to be covered by a certain percentage of base capital. No new engagement is allowed if it cannot be covered by equity. These were the first coordinated steps to globalise a consciousness for risks and risk management. Therefore the Basel I accord is not about underlying credits but credit risks. In 1996 this accord was expanded and market risks were included.

In practise it soon turned out that these rules were not sufficient. In 1999 the first consultational paper for Basel II, the international convergence of capital measurement and capital standards, was published, heavily discussed, revised and finally passed in June 2004. The EU will realise important steps of Basel II in the Capital Requirements Directive.

What is Basel II about? As the three major chapters are described as "pillars" the construction of the regulation can be described architecturally. With naming the major topics pillars, ancient constructions like temples come to mind with all their connotations of biblical descriptions about the banishment of dealers from the temple. I don't know if the regulators have considered these kinds of metaphors but a picture like the following can be drawn with only mild changes from the original picture of the structure of the paper (BIS 2004: 6)².



The basic intention is to link the capital demands more directly to the economic risk and incorporate new developments of the financial markets and risk management of banks. However, a risk adequate capital alone will not guarantee the solvency and stability of the banking industry. The crucial point is the risk and profit preference of a bank defined by the board, combined with their capability to manage and bear risks taken permanently. Basel II aims at a continuous improvement of internal risk management systems which are approved by the authorities. The enhancement of disclosure aims at the disciplining forces of the market complementary to the regulatory requirements.

So there are three pillars. I have to admit that the figure in the foreground is of course not drawn in the official statement. It was added by me. However, it symbolises the outcome of a certain imbalance of the whole structure. Pillar 1 is not only drawn in that size because the wording needs the space. It also indicates the volume of text needed to explain the contents, resulting from its earlier initial implementation in the first Basel accord and the subsequent developments and refinements these rules and the underlying mathematical models have passed since then. With the supervisory review process and market discipline pillars 2 and 3 describe new dimensions of regulations. Their importance and effectiveness in practice will only be clear when

² Some kind of a temple architecture can also be found on Bundesbank's homepage (http://www.bundesbank.de/bankenaufsicht/bankenaufsicht_basel.php)

experiences with their application will be made from the actual start from 2006 onwards. It is the basic intention of this paper to consider several theoretical aspects which support the regulators' move into this changed attitude towards regulation. However, it is necessary to provide some information about the initial attempts to cope with the increasing complexity of the markets and the risks involved.

Pillar 1

Pillar 1 of the Basel II Framework fixes the generally accepted outcomes of the attempts of capturing the momentary risk situation of businesses as well as the whole situation of the bank in a quantitative way as minimum requirements on the one hand and the conditions of use for advanced models on the other hand. Pillar 1 is about the calculation of minimum capital requirements. This sounds mathematical and it is to a very large extent. How can a valid indicator be extracted to judge the risks inherent in the banking business, and how can the risk for the bank resulting from losses be controlled? The second question can be answered easier than the first one. It is now international standard that banks are required to hold total capital equivalent to at least 8% of the risk weighted assets. This means that their business is restricted by their base capital. To capture the individual situation of a bank due to its market and its business structure these numbers are weighted and netted. There are detailed regulations which parts of the balance sheet are actually considered as capital and there are different methods to calculate the risks. Capital requirements are more comprehensive than in the past. The number of risks considered by the regulations has expanded. They include credit and market risk with several aspects under these more general designations like counterparty, liquidity, FX, commodity, share and interest risk, and operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. These include internal and external fraud, workplace safety, business disruption, system failures, damage to physical assets etc.

As to be expected in an environment which is based on figures the initial solution of dealing with the complexity of factors lay in the creation of figures indicating the risk level. Limits were set for types of businesses of the extent of engagement with counterparts. Soon models and simulations were developed to give an overview of the bank's exposure and the potential development of the credit and trading books. Stress tests were introduced to answer the 'What – If' question: what is the situation of the bank, if the prices of the underlyings or collaterals rise/fall by x%?

Several figures developed like Value at Risk (VaR) or the Monte Carlo Simulation gained broad recognition and were established as a market standard. However, it has always been consensus among banks that these standardised figures and models were not sufficient to capture the peculiarities of individual banks or national markets. Therefore the banks, especially those acting globally and in diverse markets, went on adapting these models to their special situation and at the same time tried to achieve more sophisticated models. The result is a heterogeneous landscape of risk management built on a commonly accepted basis of de facto standard approaches.

The Basel II accord acknowledges this fact. It's intention is not to prevent further developments with binding the industry to a fixed number of methods. Instead, it defines minimum requirements which can be refined and adapted to special markets. Adaptation and further development usually mean the move from generalised assumptions and evaluations about a market segment or a group of products to an individualised, customer or counterparty based approach. It is the move to a rating based approach. Each counterparty shall be evaluated according to the special risks involved. One consequence will of course be a risk adequate pricing, i.e. the higher the risk, the higher the interest or collateral.

To acknowledge the different ambitions and states of development a difference between standard and advanced approaches has been made. The standard approach is set as minimum requirement

for every bank, an individual approach which operates with advanced methods can be used. The detailed collection of the adequate data and the development and maintenance of the systems needed for these tasks require a very high effort. Banks which invest in more sophisticated risk management should therefore be rewarded with a reduced capital adequacy. The risk management procedure, systems and mathematical models have to be accepted by the national regulatory authorities. Rules and time frames for the preceding data collection are given in the Basel II accord. When accepted, the capital adequacy can be reduced down to 70% of the basic value stipulated for the respective risk. In other words: once accepted, the bank can make more business with the same amount of capital.

The crucial factor becomes data collection and data processing. Even if we consider that the individualisation does not cover the complete business – e.g. consumer credits can well be standardised – but corporate business and securities of any kind, the amount of data required of markets, balance sheet figures, or performance in the past is enormous.

Above that the capital adequacy is also subject to questions of netting (e.g. the potential results of several contracts with the same counterpart which have buyer and seller positions for both sides can be netted) and what is counted as capital in the bank's balance sheet is subject to complicated rules as well. The result of all these figures is a complex internal and external reporting. The internal reporting on a daily basis shall give the management the possibility to control the keeping of the limits but also to provide them with adequate data to perceive potential threats in the future. The external reporting to the national bank and the national regulating authority is, depending on the topic, on daily, monthly, quarterly or annual basis. It includes data for capital adequacy in a very detailed form as well as every single security business.

Even within the limits of this rather crude representation of the whole procedure it becomes clear that a massive collection of data is necessary and significant IT-power is required. In other words: compared with the past handling of risks this is an excess of data. The reaction to the increased risks in globalised financial markets where excesses in form of bubbles and other hypes and manias, where insolvencies of countries are not restricted to minor economies, where individual traders are able to ruin even large banks, or where the business as usual may turn out to be subject to concentration risk was met by another form of excess, the excess of information. It is also an insight of the recent past that losses and massive writing-offs of bad loans take place despite the existence of sophisticated risk management systems. We again crossed a boundary: there is enough IT-power to handle incredible masses of data, not only to store them but to process them along complicated models. Of course all these applications produce results: daily balance sheets, P&Ls, risk reports, exposures, external reporting, etc.

In Baudrillardian terms it can be claimed that risk management is in danger of entering the realm of simulation. We face an excess of almost unlimited collection of data to prevent the risks of the orgy, the unlimited expansion of financial markets and the number and size of the market participants, the still growing speed of development of products in almost every combination conceivable. Poor supervisors then, always coming late and only capable of recording the damage and perhaps identifying the guilty? Basel II provides an interesting attempt to solve this problem. The following will therefore be an interpretation of the regulators' reaction. After a short description of the pillars 2 and 3 a theoretical background from an organisational perspective will be given and combined with the statements of a German supervisor.

Pillar 2

Pillar 2 deals with the supervisory review process. It goes beyond questions of adequate capital to support the risks involved in the business. The Committee intends to encourage a view on the whole risk management process and to develop and use better management techniques to monitor and manage the risks. The process shall also consider risks not at all or fully captured in

Pillar 1 and the assessment of compliance with the minimum standards and disclosure requirements of the more advanced methods in Pillar 1. The framework defines four key principles:

- "Principle 1: Banks should have a process for assessing their overall capital adequacy in relation to their risk profile and a strategy for maintaining their capital levels.
- Principle 2: Supervisors should review and evaluate banks' internal capital adequacy assessments and strategies, as well as their ability to monitor and ensure their compliance with regulatory capital ratios. Supervisors should take appropriate supervisory action if they are not satisfied with the result of the process.
- Principle 3: Supervisors should expect banks to operate above the minimum regulatory capital ratios and should have the ability to require banks to hold capital in excess of the minimum.
- Principle 4: Supervisors should seek to intervene at an early stage to prevent capital from falling below the minimum levels required to support the risk characteristics of a particular bank and should require remedial action if capital is not maintained or restored" (BIS 2004).

Pillar 2 does not only emphasize the necessity of a sound risk management process. It also stresses the responsibility of the bank management: "Bank management is responsible for understanding the nature and level of risk being taken by the bank and how this risk relates to adequate capital levels" (BIS 2004, No. 728). On the one hand this can be seen as the emphasis of the importance of risk management in a bank. On the other hand it appears to be disturbing that an international framework has to remind the management of its basic responsibilities. However, the emphasis on the management's responsibility immediately signals the importance of the Framework and the entrance level of the supervisors in case of inspection.

Pillar 3

The purpose of Pillar 3, market discipline, is to complement the minimum capital requirements and the supervisory process. "The Committee aims to encourage market discipline by developing a set of disclosure requirements which will allow market participants to assess key pieces of information on the scope of application, capital, risk exposures, risk assessment processes, and hence the capital adequacy of the institution. The Committee believes that such disclosures have particular relevance under the Framework, where reliance on internal methodologies gives banks more discretion in assessing capital requirements" (BIS 2004, No. 809).

"In principle, banks' disclosures should be consistent with how senior management and the board of directors assess and manage the risks of the bank. Under Pillar 1, banks use specified approaches/methodologies for measuring the various risks they face and the resulting capital requirements. The Committee believes that providing disclosures that are based on this common Framework is an effective means of informing the market about a bank's exposure to those risks and provides a consistent and understandable disclosure Framework that enhances comparability" (BIS 2004, No. 810).

The whole intention of the Framework is to evaluate risk on a more individualised basis. This also holds true for interbanking businesses. Pillar 3 rests on the assumption that market participants evaluate their deals with counterparts in the financial markets by the same risk management preferences as with other counterparts or customers. Counterparts are rated and the conditions of the deals are dependent on the rating. Disclosure of information on risk handling then means the possibility for counterparts to judge each other according to sound risk management. Another description could be: the world of financial markets seen as the reformatory with the supervisors as overall educators and the inmates training each other with

clearly defined means to punish in case of misbehaviour. This might sound slightly exaggerated but Foucault would have accepted this as another example of discipline transposed from the human body to the world of organisations (Foucault 1976).

Rules and regulations, the rulers and the regulated

The construction of the Basel II accord can be interpreted in at least two different ways. On the one hand it may be the insight of regulators that the field they have to supervise is much too large to enforce a risk adequate behaviour in every bank of the market they are responsible for. Even if they exclusively focus on their task to enforce a behaviour that prevents crisis with a potential to destabilise national economies they would not be capable to check the systems and processes of every bank in their country on a regular basis. The initial task to authorise the advanced methods and systems has already turned out to be so demanding in terms of availability of skilled staff and time frame that a regular inspection of all banks including those who work with the standardised approaches is out of the question. Considering also the other tasks like the licensing of banks, the supervision of compliance rules, the analysis of the data in the external reporting of the banks, etc. the solution could only be a massive enlargement of the authorities. In my view the Basel II accord with its three pillars is an attempt to move away from this familiar solution to answer a rise in quantity on one side with an equivalent rise in quantity on the other side.

The other interpretation rests on less obvious considerations, at least when judged from the claim which laws, rules and regulations have. They should be followed or obeyed. If not, there will be serious consequences in the form of persecution and punishment. That this is an ideal belongs to our common knowledge: before persecution somebody has to notice the rule's violation, the one who notices has to be concerned about it and to report it to the authorities and the authorities must be able to prove the violation. Above that we all perfectly know that rules are being broken, either because of ignorance about their existence, insufficient training of their implications, or consciously because it is the easiest way in a certain situation and probably no one will notice, or for gaining a personal advantage. Rules may contradict each other so that the person who should follow them has to decide which one to break to fulfil the task. A sophisticated form of strike is called 'work by regulation', indicating that there is no procedure which more certainly leads to a complete immobilisation of an organisation than exact compliance with the rules. Rules need exceptions, but what is counted as an acceptable exception can only be decided on the concrete case. As the rule usually has to be used in diverse contexts and changing environments, it is impossible to define the actual use and the exceptions beforehand.

These few remarks already indicate that the realm of rules and regulations is not as easy to conquer as an idea of order would like to have it. "Paradoxes of social order" is the telling subtitle of Günther Ortman's book "Rules and Exceptions" (Regel und Ausnahme, 2003) where he intensively looks at the role of rules in an organisational context. He explores the very different modes in which the relationship between rule and exception can be interpreted to develop a more adequate understanding for the complexities involved in rule following. I would like to use this as a theoretical background for what we can observe in the Basel II process.

Ortman uses Derrida's concept of *différance* (Derrida 1990) to argue that a rule can at the same time be followed and violated, that the validity is at the same time assumed but only in its application finally defined and changed or deferred (Ortman 2003: 25). Applying the rule always changes its meaning. The regulator cannot finally determine the rule's use. It is always dependent on how the user understands the rule and how s/he is able to use it and how the context has to be interpreted when the rule is applied. The rule will always be supplemented in Derrida's sense of *supplément*. Any use of the rule supplements the user's interpretation qua applying the rule. The content of the rule is slightly altered, let it be to follow its original intention in a changed environment, let it be a faulty application, there will be a mediation between the rule and the situation and each application will supplement to the rule in a slightly different way. Or: a

violation of the rule is inherently part of every use of that rule. What we consider as rule conformity in everyday practice is a practice of repealing plus preserving in which the repealing is the tacit acceptance of the necessary alterations to achieve the intention of the issue on which the rule is to be applied (Ortmann 2003). The supplements give meaning to what they displace. This is the solution for the fact that there is no such thing as the original situation, an origin. There is no immediate presence, no original perception. All immediacy is derivative. Everything starts with the mediated (Derrida 1983: 272). A rule starts in the middle, is an intervention in an ever changing environment.

Ortmann notices the paradoxes involved here: "Laws, institutions, rules contain imperatives which shall orient our actions, but what they explicitly mean will in a strange way only be decided during these actions, by these actions which the rules shall guide" (Ortmann 2004: 42)³. Rules follow actors: Ortmann calls this reversal of the usual view that actors follow rules to the retrospective view that rules also follow actors upsetting, almost Kafkaesque, but nevertheless an inevitable double sidedness. Accepting this, the basic fictionality of organisational rules and rule following comes into sight, the paradox goes on. Organisational rules do not help because they work but because they do not work, but we, deceived or deceiving ourselves believe in their effectiveness and make them work; or, if we do not believe in the effectiveness of the rules, we deceit others with pretending that we believe in the effectiveness and make them work in this way, performatively; or take refuge to informal, subversive means to achieve the intended goals (Ortmann 2003: 127).

Ortmann's view about rules mirrors the enormous uncertainty in the social world. His recent books (Ortmann 2003, 2004) are among the rare examples where this uncertainty, fluidity, multi-perspective is not only acknowledged and taken as a topic of research to achieve a better understanding and with this achieve more order conquered from an overpowering disorder, but understood as the basic condition which will remain the point of departure for all attempts to organise or to set rules. It is the unavoidable acceptance that order and disorder are mutually dependent on each other, that order defines itself by drawing a boundary to disorder and in this way is determined by disorder (Cooper 1990), that a rule defines a territory in which it claims validity and the validity has always to be enforced. Order and rules are not objective facts but processes which, in absence of an objective, stable fundament, reproduce themselves. Nevertheless the result of these processes is a sufficiently reliable environment. With this conception of a precarious foundation in mind Ortmann uses results from various sources of different fields to elaborate why an organisation in form of order can exist and why rules have the potential to be valid despite all the good reasons named above that they will probably fail. These sources are Derrida's concepts of *différance* and *supplément*, the linguistic turn with Austin's performative speech acts, Searle's 'counts as', Schütz's idealisations like 'and so on' and 'ich kann immer wieder', contingency and self-organisation of complexity theory, mimesis as stabilising factor. With the help of these sources he develops a very careful argument how the above described paradox existing on swampy ground can work without being condemned to complete arbitrariness or relativity.

Ortmann tries to illustrate the range of arguments necessary for answering a fundamental question about organisation. It is posed slightly differently from what is usually expressed like e.g. how shall a company be organised to gain a profit?, what do we have to change to produce more efficiently?, what is the best fit for achieving a certain aim?, etc. Instead it is asked: given the shaky ground on which we organise and on which we formulate rules, given the experience that whenever we look into processes we will find a thousand reasons why they cannot work properly according to the intended outcome, that the rules are followed according to the rule followers intention, how is it possible then that e.g. a car produced in such an environment can be driven

³ all direct quotes from Ortmann have been translated from the German original by the author

safely after leaving the factory, or that billions of payments are transferred to the correct account? It is the complete reversal of the question based on the assumption that we can achieve everything if we only find the correct way of organising the processes and that these processes strive for an ideal which can be identified. Reversing this question acknowledges the impossibility of a grounding outside the social context and independent of the humans involved; it is a denial of any kind of final reasoning, it insists on a foundation of shared beliefs and meaning created in the process as a kind of endogenously produced normative fixed points (Ortmann 2003: 265). It is the attempt of a theoretical solution for problems like Hirshman's "hiding hand" (Hirschman 1967) when he researched United Nations projects and found out that the criteria for success were defined retrospectively. This should not be condemned as doubtful behaviour. The retrospective judgement on success and failure is also dependent on a changing environment between the decision for the project and its completion, and the project might have been adjusted to these changes. The project could even turn out to be a failure despite the fact that the initial targets are fulfilled but they are of no value anymore.

Replacing the term 'deceit' mentioned earlier in the context of rule following with 'as if' points into the direction Ortmann moves. He is working with the metaphor of 'bootstrapping' to illustrate his view on organisations. Bootstrapping is the fiction that we can walk over shaky ground and leave dangerous situations pulling oneself up by ones own bootstraps and lift the feet over the critical ground. When organising or writing rules we do something similar. We have an idea in mind how to proceed, how to solve a problem. However, before actually acting we do not know if that what we plan will effectively lead to the intended target. We can only judge if it was successful with hindsight. In other words: we have to act *as if* we are certain that we act correctly and with this fiction we are able to start and interpret the rule according to the difficulties and opportunities which emerge during our actions.

We create the ground on which we stay ourselves with no foundation beyond the belief that this ground will carry us. The following discussion of a presentation by a leading supervisor will illustrate this.

Basel II – the supervisor's interpretation

The initial reaction to the excess of risks was an excess of controlling. Now the excessive amount of data waits to be handled and the reaction of the Basel committee demonstrates that there is a clear consciousness about the dimension of risks in international banking industry and also the conviction that controlling and massive collection of data alone does not solve the problem. Considering the intensity and length of about six years of the consultation period and the changes finally realised for the Framework it can be argued that via the involvement of national regulators as well as the banking associations and individual banks this was the work on a script working towards a common understanding of sound practices of banking perfectly accepting that such a Framework cannot provide a final definition. The word script is used very consciously and not without justification here, as the reference to a paper by Bauer (2004) will make clear in a few moments. It shall indicate the narrativity of the process, its basic fictionality and with this its supplementary character, the unavoidable alteration in applying.

As stated above the explanations of mathematical models and different approaches for risk assessment, evaluation and reporting in pillar 1 take about 90% of the official document's length (BIS 2004). The other two pillars share the rest of the document's space. This symbolises two aspects. The handling of risks with mathematical models has already been part of the first accord and the first pillar is a development and inclusion of models already introduced by banks. The depth and volume therefore indicates an increased standard.

The other aspect is of central importance for the discussion in this paper. The supervisory review process and the market discipline add to the models a very interesting perspective. They are a

first step to broaden the regulator's burden. The regulators intend to integrate the bank's internal auditors and the market via the obligation of a wider disclosure of information regarding the risk management approach taken by the banks. Helmut Bauer, first director of BaFin⁴, the German financial markets supervisory authority, described his view of the role of pillars 2 and 3 and his expectations of his audience in a speech to the internal auditors' annual meeting (Bauer 2004). The direction of his argument is already noticeable in his characterisation of pillar 1. "Here the authorities mainly act in the mode of quantities. It rests on the - unfortunately seemingly - reliable ground of definite risk measurement" (Bauer 2004: 7)⁵. What follows is an open attack on the blind belief in figures and the vote for the importance of the qualitative factors.

"Pillar 2 is placed in the middle. And that's exactly where it belongs" (Bauer 2004: 7) Supervision has to become a qualitative supervision with a focus on the quality of the bank's internal management and steering processes, the internal control systems and risk management. Parallel to the efforts of refining the risk models, qualitative measures which were only briefly mentioned in laws concerning the soundness of the banking business were detailed and set into practice via regulations of national authorities. These so-called 'minimum requirements' set standards which have to be fulfilled by a bank within the areas credit business, trading and internal auditing⁶. The Basel II Framework is another step into this direction. Bauer clearly sees that this quality is much harder to grasp and is – in the double meaning of the word⁷ – much more volatile than the quantities in Pillar 1. Pillar 2 is about the processes and organisation including reporting and decision making dealing with the use of these risk management methods. Only these quantitative 'soft factors' decide about the effectiveness of risk measurements in Pillar 1, dealing with Bauer's claims that the extensive discussion around the measurements and the profoundly increased sophistication has made one point very clear: the increased need to interpret the data. This scepticism is the acceptance that advanced internal risk measurement is a necessary but by no means sufficient element of risk management (Bauer 2004: 8). In my drawing the special blindness resulting from too much data is symbolised by the almost overwhelming size of the files the figure is carrying. He cannot see the way and is in danger of stumbling, almost falling down the steps. There is no help for handling the files. If this is the situation in a bank, the probability of loss occurrence will be high and not manageable. Only the internal management and steering processes, the internal control processes and the risk management in their entirety decide about the effectiveness of the qualitative measurements of pillar 1: where's the one who understands the data? This represents the acknowledgement of the futility of data collection for its own sake on a new level. Bauer makes the paradigm shift astonishingly clear:

"In view of this the meticulous pushing through of complex regulations in each and every detail comes second. This has become even more true since Basel II" (Bauer 2004: 11).

Another interesting aspect of Bauer's presentation is the wording with which he describes the regulators' intention. He uses metaphors from theatre – "please allow me to start with a dramaturgical remark" (Bauer 2004: 9) – and defines roles in a play with several actors, talks about casting and staging. His answer to the question of what the pillar 3 is about, is not with regards to contents but metaphorically. The regulator is the groundkeeper who looks after the disclosure of the banks but he does not judge the information published. Market discipline shall help the regulator via the counterpart's reaction on the information published regarding the

⁴ Bundesanstalt für Finanzdienstleistungsaufsicht

⁵ this and the following quotes of Bauer have been translated from the German original by the author.

⁶ In Germany the requirement of soundness is part of the German Banking Act (KWG - Kreditwesengesetz) and for trading of WpHG (Wertpapierhandelsgesetz).

⁷ Volas – volatilities – are reference numbers of risk measurement in the trading business indicating the possible frequencies in ups and downs of prices.

conditions of deals made between the market's participants. Bauer admits that the complexity of the markets becomes too much for the national regulators. The regulator may answer with accordingly complex regulations but is immediately faced with enormous difficulties of enforcement. "The dramaturgical answer to this problem now is: create a team-mate. Pillar three is about the external team-mate, the market. It is armed by the disclosure of information demanded by the regulations to punish high risks, unconvincing business models, or bad management by the means of the market" (Bauer 2004: 10).

This is a reaction to an excess on several levels. First of all the whole Basel II approach is a reaction to the worldwide instability of the financial system following the consequences of larger and smaller hypes where also banks were heavily involved with losses – dotcoms, real estate in quite a few regions, foreign exchange etc. – and crises of individual banks lacking an efficient risk management. How can the consequences of the trail of the lemmings be controlled?

Another possible interpretation lies in the impossibility of handling the produced data. To argue with the figures in Germany, an authority of about 200 employees cannot effectively control 2400 banks. Pillar 1's effect is the production of an enormous mass of data, excessive data collection, so to speak. Even if it makes sense for the individual bank and can be handled according to the intention of the regulation, it becomes impossible for a small authority to audit the compliance of all banks. Thus the introduction of the market, and the revaluation of the internal auditors.

Of course the Basel II Framework is heavily discussed along the lines of practicability, of adequacy of the regulations for national peculiarities and market segments, that a Basel III Framework with further sophistication of measurements is unavoidable, of the effects of the more individualised rating for the economic development of SMEs, proposals for implementation (for the supervisory review process e.g. Jakob 2004). These topics need to be discussed and further clarified. However, I would like to discuss the regulators' demand with the theoretical sketch given in the previous section.

On stage: a script in search of willing actors⁸

Bauer's comment makes clear that the authors of the Basel II Framework realised that a traditional understanding of supervision is no longer capable of meeting the increased requirements of the markets on both sides – on the supervisors' side as well as on the banks' side. The increased requirements of the capital markets regarding complexity, speed, volume, development of new segments and the risk deriving from these factors cannot be met any more by individuals. They can only be fulfilled by procedures which are inevitably carried out by multiple actors. Any regulation which does not consider the flexibility and quick changes of the markets and tries to cope with the risks with rigid rules will inevitably fail due to massive ignorance of these rules – either overtly by publicly fighting the inadequacy or covertly in the way of reinterpreting while applying the rules. However, the challenge reaches further. The necessary complexity of the regulation has reached a degree where no strict rule following can be expected even if the insights of *différance* and *supplément* do not belong to the background of regulators. Considering the situation of the Basel II Framework on the background of the remarks on rule following and the somehow swampy ground on which they are built we can notice that the regulators' situation is even more treacherous. There are more instances interacting than in organisational rule setting. The potential users of these rules are organisations themselves and competitors. They are part of different economies and within their national market part of different backgrounds (large shareholder companies, savings banks, mortgage banks, cooperative banks, etc.). Inside these organisations there are several parties dealing with risk management –

⁸ The connotation with Pirandello is obvious though not intended and not fitting exactly: "Six characters in search of an author" was his piece.

management, business departments like credit or trading, risk controlling, operations, internal audit – and the actual users are again individuals applying rules which are filtered by the respective understandings of national associations and the strategy of their bank. Above that the regulation's application is also subject to the micropolitical games and fights for influence and power between the departments inside the banks as well as competitive matters of the market regarding the cost efficiency of the implementation and the achieved reduction of capital underlying. Within such a setting an attempt to enforce an all-embracing regulation like the Framework would not have the slightest chance to be enforced in each and every detail. Bauer's dramaturgical description of the Framework's starting point rests on this conviction. Neither the existing size and capacity of his authority nor the complexity of the banks who have to adopt the Framework leave a chance for standardised use. If the basic intention shall be kept, a certain flexibility in using the rules must be provided. This is the most remarkable statement of an authority whose task it is to enforce rules: "The meticulous pushing through of complex regulations in each and every detail comes second" (Bauer 2004: 11). Facing a problem of sufficient emergency practice comes to similar insights as theory.

The supervision of the Framework does not have the comparatively easy task to guarantee that the rules are kept. If the authority concentrates on the role as supervising viewer, being outside the game, the crucial fact that the referee, the supervision is part of the game in a very special way is overlooked: it is part of the constitution of the rules creating the game (Ortmann 2003: 197). Of course Weick's (1985: 9) famous example of the three referees defining their view of a foul comes to mind immediately. It is neither the definition that a referee blows the whistle when there is a foul, nor the view that the referee blows the whistle if s/he perceives a foul, it is the view that a foul only exists when the referee blows the whistle. In enhancing Weick's example referees in the Basel II sense are just one aspect of the game 'rules'. The regulators of the Basel Committee and the national supervisors are at the same time authors of the rules and referees. The regulators have defined the playground and the rules with a clear intention but in cooperation with the players. Additionally to their role as authors they also define the meaning of the rule by the way how they control it. The players act according to the rules as they perceive the meaning of the rules. The supervisors as referees then decide what a foul actually is. With deciding on 'foul' the meaning of the rule will be as much filled as with deciding 'no foul' on occasions where a detail is not covered. With this they perfectly though (almost) unspoken accept a breaking of the wording of the rules if they still can have the impression that the intention of the rules is kept.

The 'almost' in the preceding sentence refers to the astonishing fact that Bauer said exactly this publicly. A more traditional view would interpret this understanding as an additional source of uncertainty, perhaps even as an invitation to corruption. In a world where rules are seen as a fixed set of action or behaviour, instructions as outside of the scope of the actors and clear criteria can be given if the rule had been followed or not, this understanding of rule following is a nightmare. Understanding rules as dependent on their application and subject to repealing plus preserving opens the view for another handling of unstable environments: a co-existence of a further development of methods in the regulated world and a Framework acknowledging that it is not able to cover these developments adequately in due time but providing room for future enhancements, a referee/supervisor judging the whole procedure of risk management instead of every detail of the rules, and participants judging each other.

The dramaturgical expressions Bauer uses serve as a reminder that the referee position is not as unambiguously casted as it appears at first sight. The national supervisors have power as they have the ultimate means to enforce their interpretation: the withdrawal of the banking licence. However, with the definition of Pillar 3 and the judgements of competitors on the disclosed information another rather diverse interpreter is on stage. The supervisors will have difficulties to enforce an interpretation against the will of the market expressed by the acceptance of the risk

management of the bank in question. The Framework's rules will also be developed, i.e. repealed and preserved by generally accepted behaviour of market participants.

Regulation, external reporting mark an excess of boredom for bankers. Of course they see the regulations as restrictions which prevent them from taking opportunities on the markets. The world of regulators, perhaps even more than that of accountants (bean counters in the terminology of star managers like e.g. Lee Iacocca (Hansen 1992: 182)) seems to be far away from the shiny offices of international bankers and their business. Enervated by anyone who wants to set boundaries to their activities and in reaction to controlling they develop defence mechanisms: "We already know today that the controllers or the evaluation commissions will absolve their rituals tomorrow, and we take care of that, e.g. by planning rituals" (Ortmann 2004: 43). This kind of reaction sounds cynical – and familiar. It is the reaction of people suffering from rules which they do not understand or which, at least in their view, simply prevent them from fulfilling their task in a meaningful way and therefore do not accept but nevertheless have to follow the rules. A façade is built which grants the passing of the evaluation to secure that the processes behind the façade can go on undisturbed. This can be interpreted as a move of *différance*. The reality in form of the demands for justification according to rules which may be relevant for the task in question or not is acknowledged but met with a ritual similarly unconnected to the task.

Regulation as a play on stage, supervisors as authors and referees in one character, and all of this in a turbulent market with an inbuilt potential of excess and the availability of an excess of risk controlling data: if you, the reader, experience a bit of vertigo, this is profoundly justified. When I wrote these paragraphs I tried to formulate an opinion of the probability of Basel II Framework's success. Instead it mirrors the uncertainty of judgements which is a comment in itself. Before actually starting we cannot be sure about the consequences of new rules. We lack the hindsight necessary for the judgements of future results with all its interpretation, re-formulation of the rules, the work of *différance* and *suppléments*, the changed environment of the rules and the re-interpretation of the Framework's local specifications, and so on. However, the crucial point here is that the Framework takes this uncertainty about the outcome of its rules – perhaps unconsciously or unintendedly – as a basic mode into its construction. Vertigo as accepted result to handle reality is a surprising consequence: a second order hangover, so to speak, if we consider the starting point of this paper. Baudrillard puts us into the time after the orgy, permanently facing the hangover from the excess, the hangover from the bubbles bursting, the vertigo from watching the funds' endless circulation in the orbit. The Framework does not answer the question for the meaning. The author's intention is that the endless circulation can go on. It will go on vertiginously.

To use the metaphor of bootstrapping again we can state that the regulators create a fiction on how to achieve the intended target of stability despite the uncertainties and intransparencies. We can only judge if the approach taken is successful ex post, with hindsight after the rules are used for some time and should not be surprised by the differences to the written text. The regulators have to act *as if* they are certain that their proceeding is correct. Then Bauer's speech can be seen as a performative move to open up the stage on which the piece 'Basel II' will be performed, although it is not decided yet if the piece performed in the future will be an educational one with the intended results, or a drama where the actors on stage paralyse each other with contradictory intentions, or a soap opera where rituals are performed which despise the rule's intentions while deceiving to keep the rules on the surface. Without doubt it is a topic which is at first sight very boring for most of the audience but turns out to be a very important and fascinating one for the development of globalised financial markets and those affected by failures of the system – everyone of us.

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The Futility of



A GENTLEMANLY BODY: THE (EXCESSIVE) CASE OF THE INSTITUTE FOR THE MOTOR INDUSTRY

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The paper will examine how the concept of 'gentlemanliness' has been, and continues to be, appropriated by professional bodies and expressed through symbols and artefacts to promote a claim to an enhanced social and ethical status. Drawing on historical scholarship, I will demonstrate how the professions have engaged in a Victorian discourse of gentlemanliness since their emergence towards the end of the 19th century. The professions linked a claim to moral and intellectual superiority to a concept of the gentleman which foregrounded integrity, respectability and character above trained expertise. Thus, the professions could claim to be worthy of trust and, perhaps more importantly, distinguish themselves from the 'money-grabbing' entrepreneurship of the commercial classes. This claim to 'gentlemanly' qualities can still be discerned through the artefacts produced by many professional bodies. These artefacts include the buildings which house their headquarters, their coats of arms and the presentation and content of their codes of conduct. I then present and deconstruct the particular artefacts produced by the Institute for the Motor Industry (IMI), a professional body that represents car dealers and repair shops, and relate the use of these artefacts to Theodor Adorno's concept of the culture industry wherein social markers have become manufactured effects that can be exchanged.

Exactly what constitutes 'a profession' has long been the subject of academic debate. Sociologists have compiled lists of key characteristics such as the existence of an occupational association, exclusive entry based on specified credentials, possession of a body of knowledge or commitment to the client (Moore, 1970). Others have argued that professionalism is the outcome of a project to achieve social closure for particular occupational groups. As such, the professions should be understood as groups that have successfully competed with others for resources and social status, high incomes, the right to self-regulation and autonomy in the workplace (Freidson, 1970; Larson, 1977). Professional bodies have also justified the attributes of professionalism as rewards for rigorous training and onerous responsibility. In their promotional literature, codes of conduct and foci of operations they characterise the model professional as competent in his/her practice. This is based on the qualifications required to gain entry to the profession and on the policies and programmes of ongoing development that many stipulate as a condition of continued membership. The claim to an exclusive competence is, however, balanced by the assumption that professionals are committed to client and societal welfare. Professional bodies therefore also characterise the model professional by a set of behaviours which relate more to the manner in which they practice and to their general comportment than the content of that practice per se. However, we should recognise that professionalism is a 'changing historical concept' (Freidson, 1983) where the balance between these components shifts. Moreover, in practice, components will be imbued with content that is appropriate for the circumstances and expectations with which different members of different professions are confronted. Recently, greater emphasis has been placed on competence although there is a growing focus on ethical behaviour following several high-profile scandals (O'Neill, 2002).

Historically, the ideal of professional comportment may be associated with a strategy of distinguishing professionals from other occupations, notably tradesmen, and a concomitant alignment of the professions with gentlemanly behaviour. Indeed, from the emergence at the end of the nineteenth century of many of the groups recognised as professions today, they have drawn on a Victorian discourse of gentlemanliness. What follows here is a brief outline of that discourse in order to better understand how the professions have attempted to use it to establish their claim to an elevated social and ethical status.

The concept of the gentleman has long been a term characterised by elasticity and social flotation. Although associated with propertied wealth and status, claims to superior personal qualities in terms of intellectualism, morals and manners were at least of equal importance. This meant that the position of gentleman was, in theory at least, one that was permeable. Writing in 1583, Sir Thomas Smith defined the concept thus:

For whosoever studieth the lawes of the realme, who studieth in the universities, who professeth the liberall sciences, and to be shorte, can live idly and without manuell labour, and will beare the port, charge and countenance of a gentleman, he shall be called master, for that is the title which men give to esquires and other gentlemen, and shall be taken for a gentleman.

(Thomas Smith, 1583, quoted in Corfield, 1996, p 5)

A gentleman was educated in the liberal arts and could live without recourse to physical toil. This did not mean that he did not work at all, as this did not preclude activity in local government or the supervision of financial matters. Thus, even in the 16th century, although sufficient means were required to cultivate social graces, gentlemanliness did not depend on the size of landholding or lineage. What mattered was public reputation and recognition of an individual's gentle status (Corfield, 1996). These ideals became the basis for an implied moral code which merged with a sense of *noblesse oblige* that esteemed unpaid public service and continued to inform the concept up to the 19th and 20th centuries. Thus Samuel Smiles in his best-selling work *Self-Help* (it sold nearly a quarter of a million copies between its publication in 1859 and the end of the nineteenth century) could cast the gentleman as the embodiment of virtuous character:

The True Gentleman is one whose nature has been fashioned after the highest models ... His qualities depend not upon fashion or manners, but on moral worth – not on personal possessions but on personal qualities ... Humanity is sacred in his eyes: and thence proceed politeness and forbearance, kindness and charity

...

Riches and rank have no necessary connexion with genuine gentlemanly qualities. The poor man may be a true gentleman – in spirit and in daily life. He may be honest, truthful, upright, polite, temperate, courageous, self-respecting, and self-helping – that is, be a true gentleman.

(Smiles, 1859, quoted in Coleman, 1973, p 99)

However, although Smiles argues that gentlemanly qualities were within the grasp of the lower as well as higher echelons of society, the education believed necessary to acquire these virtues could only be attained by those with access to substantial financial resources. Smiles' notion that gentlemanly behaviour should not be

restricted to the upper classes did not mean that anybody could actually be a gentleman.

Gentlemanly ideals blended almost seamlessly into the values of the professional ideal. As Neil McKendrick puts it 'the concept of the gentleman was later refined and developed greatly to the advantage of the professional middle classes and to the disadvantage of the industrial bourgeoisie' (1986, p116). Perkin (1989) argues that while trained expertise was undoubtedly important, selection by merit, referring to moral value, underpinned the Victorian professional ideal. For example, the President of the Institution of Surveyors is recorded as proposing that the admission of Students to a higher grade be accompanied by an examination:

... so that not only their respectability and character should be secured, but that some degree of guarantee should be given to the public that they are not unfitted for the work of protecting the interests entrusted to them.
(quoted in Carr-Saunders & Wilson, 1937, p.301-2).

It is implied here that good character and respectability are accepted as vital attributes for any aspiring member of the profession. It is the examination of competence that is a new and additional factor.

One of the key elements of both professional and gentlemanly conduct was trust. Smiles writes:

The true gentleman has a keen sense of honour, scrupulously avoiding mean actions. His standard of probity in word and deed is high. He does not shuffle or prevaricate, dodge or skulk; but is honest, upright, and straightforward. His law is rectitude...

Baker, writing about the origins of codes of conduct, states:

... in the era of gentlemanly honour, ethics focused on the character of the practitioner (especially, his honesty, chastity, and virtue). Since character was the chief guarantor of the integrity of professional conduct, even a hint that a professional's character was less than honourable was a serious matter.
(Baker, 1999, p 2)

This is important for the professional as many professional services were (and are) esoteric and opaque to their clients and are not productive of material objects. The layman does not share the knowledge and expertise of the professional and therefore has no way of judging whether the professional has done a good job, even when he fails to achieve the outcome desired by the client. Trust is therefore necessary because the relationship is unequal; clients engage the services of a professional precisely because they are not themselves in possession of the expertise required to resolve their particular problem. The importance of trustworthiness is emphasised in current professional codes which govern issues such as confidentiality, accepting gifts, drawing up contracts, handling clients' monies and maintaining a proper distance from the client.

This emphasis on moral worth contributed to the division between professional and business classes and was recognised contemporaneously by Matthew Arnold:

So we have among us the spectacle of a middle class cut in two... of a professional class brought up on the first plane with fine and governing

qualities, but without science; while the immense business class.. brought up on the second plane, cut off from the aristocracy and the professions, and without governing qualities.
(quoted in McKendrick, 1986, pp 116-7)

Thus professional and entrepreneurial ideals began to diverge. Gentlemen, and professionals, were defined by their 'fine and governing qualities', cultured education and qualities of character which transcended what Tom Brown's tutor (in *Tom Brown's Schooldays*) described as 'mere money making' (quoted in Perkin, 1989). Thus the work appropriate for a gentleman was confined to professional or public service to society, the state or the empire and excluded 'money-grabbing industry and trade' (Perkin, 1989). The assumption therefore grew, shared by public and professionals, that the latter owed a duty not only to the client but to society in general and developed into an underlying societal expectation that members of professions should be of good moral character in a way that is different from most other occupations. This notion that the professions are in the service of society is explicit in many codes of conduct and can be discerned implicitly in obligations to neutrality, objectivity and disinterestedness. Status adheres to the professions because of this claim to serve society, and this claim would have less validity if it appeared that there were ulterior motives involved such as pecuniary gain (Abbott, 1983). As Abbott points out, status refers to a position within a socially generated rating. Superior ethicality is a claim to superior compliance with socially generated rules and is therefore a claim of superior status or honour. Ethical codes, formal or informal, that contain claims of service augment that claim to high social status. Groups that claim to serve society are not only claiming functional importance, but are purified of ambiguous goals such as personal profit. Thus the professions' claim to moral superiority was used to justify their claim to superior status, self regulation and autonomy.

However, through the 20th century, there has been a dramatic increase in those occupational groups subject to specialised training and claiming expertise beyond the layman. Their members now demand the status and rewards of a profession and have embarked on what Larson (1977) would term the professional project. This involves using strategies of closure to segregate themselves both from the laity and from other professions such as control of entry based on training and examination, use of a privileged title or postnominals and in some cases, state licensing of a name or practice. In addition, the professional bodies into which they are organised are replete with the trappings of the older professions, such as a charter, code of conduct and prestigious head office space.

A charter combines references to traditional legitimisations of privilege, including the claims to gentility made by the older traditions, with references to expertise to produce a source of social credit. Charters are an expression of a contract between state and professions whereby the professions are allowed influence and status conditional on fulfilling their claim to act in the public good. The charter itself defines the means by which the body has been incorporated and other ways in which the body organises itself internally. It also outlines a distinct profession by determining the qualifications for entry and codifying the conduct of individuals. It puts the workings of the professional body into the public domain and theoretically ensures that it is run in accordance with the public interest. There are few material benefits associated with being a chartered organisation but possession of a charter is an acknowledgement of an occupational group as a profession which confers status. This wider recognition of social prestige has been given as one of its most important advantages. After being granted a charter in 1999, the Chief Executive of the Chartered Institute of Personnel & Development gave a number of reasons why this

was important: 'Basically it would be a recognition that the profession has arrived. ... This will help to overcome the slightly second-class standing that some of them [CIPD members] wrongly feel they have. It would be recognition that they are in the premier league' (Crabb, 1999, pp 42-44).

A further source of traditional legitimation is expressed through the possession of coats of arms. Coats of arms are granted by the Crown, delegating its authority to the Kings of Arms. They are also known as heraldic achievements, which registers that their granting is an indication that a certain rank or status has been attained. This is an area steeped in archaic tradition where individuals were granted arms in recognition of outstanding service to the monarch, usually on the battlefield, or prowess in tournaments. Today, there are no fixed criteria of eligibility for a grant of arms, but awards or honours from the Crown, military commissions, professional qualifications, public or charitable service and good public standing are taken into account. A corporate body can apply for arms but must be 'well established, of sound financial standing, and be a leading or respected body in its field. It may be incorporated by Act of Parliament, by Royal Charter, or under the Companies Acts' (College of Arms website, n.d.). The coat of arms is therefore a signifier of respectability, solidity and social worthiness, and in the context of a professional body, reinforces the ideal of public service.

It has already been indicated that many of the professional ideals relating to gentlemanliness have been embodied within professional codes of conduct. Codes outline obligations to particular parties such as clients, other professionals or society. The nature of the obligations can be grouped under the headings of commitments to the maintenance and practice of expertise, general obligations that would be expected of any good citizen and those relating to compliance with certain behavioural norms. These behavioural norms include demonstrating moral virtues that could be linked to the concept of gentlemanliness such as dignity, integrity, loyalty, honour, independence and acting with diligence. They also include equally gentlemanly values covering relationships with people such as showing courtesy, consideration and respect. What is perhaps surprising is that a detailed deconstruction of 10 randomly selected codes showed that in most, the majority of statements referred to comportment, and of these particular statements, over half referred to what could be termed gentlemanly values (Friedman & Phillips, 2003). Both the continued attraction of chartered status and a focus on comportment within codes of conduct reveal that the professions continue to draw on ideas of gentlemanly values.

Gentlemanliness is also concretised, more literally, in the buildings occupied by professional bodies. The headquarters of the engineering professions, which emerged in the latter half of the nineteenth century, provide models for today's private sector occupational groups aspiring to professional recognition. That of the Institution of Mechanical Engineers is on Birdcage Walk, placed symbolically between the power of the state in Westminster, and that of the monarchy in Buckingham Palace. The 18th century building is impressive both inside and out, its entrance replete with columns and leaded glass and brass fittings, the inside panelled in mahogany. Savoy Place, the headquarters of the Institution of Electrical Engineers (IEE), is situated on the Embankment and was originally designed and used by the Royal College of Physicians and the Royal College of Surgeons as a joint examination hall. Here we can see the physical space of long-established professional groups being appropriated, with its symbolic value, by what at the time was an emerging profession making a claim for recognition. The IEE carried out renovations to Savoy Place in 1908 under the direction of the architect H. Percy Adams. Adams was known for designing public buildings with a worthy social

purpose such as the central library in Bristol and hospitals including the Bristol Royal Infirmary and the Belgravia and Paddington hospitals. The entrance hall was lined with white marble and decorated with bronze friezes while the lecture theatre was panelled with Cuban mahogany, matching the interior doors on the ground floor with carved cartouches designed by the sculptor W.S. Frith. The IEE's claim for status was thus bound up with a claim to the status of gentlemen expressed through a display of solid respectability in their building, together with a quiet confidence in their economic position and social worth, and a patronage of the arts that was a hallmark of social grace, embedded in traditional values yet looking forward, as befitted a profession based on a new technology.

The symbols and artefacts used by the Victorian professions to establish their position are still in use today, although in many cases, elements of the crest have been abstracted to form a more modern-looking logo, and websites tend to emphasise technical competence. It is interesting, however, that occupational groups that have more recently made a claim to professional status have developed symbols that mimic those of their Victorian forebears. A professional body such as the Chartered Institute of Marketing has achieved chartered status and offers a means of credentialising technical standards, but it appears that it must also give an assurance of gentlemanliness to improve its social status.

The case of the Institute for the Motor Industry (IMI) is one where the use of gentlemanly symbolism is particularly marked. Their members range from mechanics to owners/managers of car dealerships, occupational groups who have never been expected to perform a selfless public service. Neither, in the context of a recent Which? survey where 75 per cent of garages were found to offer 'appalling' standards (Which?, n.d.), does trustworthiness appear to be a marked feature. The IMI's mission is to raise standards, both technical and ethical, of those who are its members and thereby to elevate the standing of the occupation overall to that of a profession. The IMI offers gentlemanly symbols and artefacts as items which can be purchased either directly or which can be enjoyed vicariously. This use of gentlemanly symbolism has therefore become part of what Theodor Adorno terms the culture industry. Adorno argues that monopoly capitalism operates on a rational-technical model in which the social world is regarded as an assemblage of parts – as a machine. Those who work within it are offered the products of mass consumption as an inauthentic, substitute gratification for needs such as freedom, individualism and progress. This involves a social levelling down where what was valuable or valued becomes standard, and as it does so, it becomes just another homogenised exchange value on the market (Gartman, 2004). Adorno has been criticised by some (XXX) as being elitist, but there is something worthwhile pursuing here in that what formerly had some value in terms of scarcity, luxury or diversity has become a simulacrum; an image emptied out of meaning and substance.

Culture has become assimilated into this project as pseudo-culture, in which works of art, philosophy or scientific disciplines have been reduced to highlights, themes and climaxes, or to a digest of key ideas. These bite-sized chunks of culture are manufactured effects in modern mass culture that can be appropriated, exchanged and communicated. They have lost any relationship they might have once had to 'truth content and its vital relation to living subjects' (Adorno, 1993, p 23). The mass media and the culture industry reproduce the cultural goods that were formerly restricted to elites and disseminate them to the masses. However, Adorno does not see this as the advent of a golden age of a classless society, but rather as a blurring of differences between class groups at the level of consciousness inducing conformity. Cultural goods produced by the culture industry, and particularly those appropriated from the elites, are not genuinely experienced, rather pseudo-cultural

piety in the form of a reverence for their prestige is heightened. To Adorno, this is a form of collective narcissism. People make up for social powerlessness and a failure to live up to ego ideals by transforming themselves, either in fact or in imagination, into members of something higher and more encompassing. To this 'something', they attribute the qualities they themselves lack but from which they seek to benefit by vicarious participation. At the same time, such cultural goods are used as markers of status where the individual only has to demonstrate, to self and others, that they know how to deal with such goods in order to justify a claim to be a cultivated person. Moreover, in line with Adorno's idea that exchange relationships have come to permeate all aspects of social life, these markers of social prestige are something that can be purchased.

These markers are often associated with the past of social elites, which is packaged up for consumption by the masses. From interior design to the entertainment associated with the heritage industry, the past has become a sedative and escape from the present and no longer a means whereby the present can be better understood or critiqued. Thus the past is gentrified and domesticated, 'antiqued' and made an object of nostalgia. For example, depictions of life in heritage attractions tend to focus on the quaintness of, say, kitchen equipment or to depict the typical Victorian street as cobbled, lit by gas lamps and flanked by cheery shopkeepers selling mint humbugs and home-baked bread. Echoing Adorno's argument that contemporary society denies its historical, organic roots, Hewison's critique of the heritage industry states that it compresses past and present, or casts the present as just evolved out of the past, so that past and present join in an image of 'the nation' as a land of country houses and *Brideshead Revisited* (Hewison, 1987). The past has become a collage of impressions as sold in many museum or National Trust shops – scented candles, reproduction jewelry or ceramics, 'authentically' packaged sweets, biscuits or tea, scented drawer liners. This nostalgia for a golden past resonates with the cultural signifiers offered by the IMI while other markers of social prestige are available for purchase.

IMI headquarters are housed in a country house, Fanshaws, set in extensive grounds in the depths of the Hertfordshire countryside. The house, mock-Jacobean in design, was built in 1883 on the Fashawes estate. The name comes from a former owner of the land, Sir Thomas Fanshawe, the second Viscount Fanshawe of Dromore, who inherited it on his marriage in 1648 to Katherine Ferrers. Rather amusingly in terms of the present owners, there is a folktale that Katherine was rather bored with her marriage and to provide some exciting diversion, dressed up in men's clothing and conducted herself as a highwayman. The house and grounds were purchased by the IMI in 1963. The interior features a wealth of wood panelling and portraiture as befits a gentleman's country house. The house personifies solid, affluent Victorian respectability, the name establishing a tie to an aristocratic past, some of whose cache would be transferred to its 19th century and present day owners. Its geographical location conjures up connotations of rural idyll, also associated with gentleness, and a past grounded in tradition. In so doing, it covers over or elides the industrialisation associated with car manufacture and with the destruction of the countryside by roadbuilding and traffic, which are the very antithesis of rural charm. The implied claims to gentility made by the IMI through their possession of the powerful symbolism of Fanshaws are far removed from the realities of car dealers' showrooms and repair workshops where its members work.

Fanshaws features prominently in the recruitment literature produced by the IMI, along with other signifiers of gentlemanliness. The coat of arms depicted on the front of the brochure is perhaps the most extraordinary of these. The arms were granted by the College of Arms in 1955, and are described by the IMI as 'an integral part of

our overall identity'. The IMI notes that various elements that make up the arms represent the work of the Institute in heraldic terms. The chariot is the most obvious of these. The College of Arms states that there is a long tradition of puns in heraldry, 'some of them obvious, others less so' (College of Arms website, n.d.), and here we note that the shafts of the chariot have been replaced by an incredibly phallic drive-shaft. This associates the IMI not only with the notion of the horseless carriage, but with the 'driving force' mentioned in the strap-line. The chariot also brings to mind the power and nobility of the Roman empire, and although the horse itself is absent through the absence of the shafts, it seeks to connect the IMI to a past where the horse was emblematic of wealth, power and status. (Cannadine, 1996). Following an enquiry to the College of Arms, the Lancaster Herald informed the author that the bees depicted on the shield are symbolic of well-governed industry and the red and gold colours refer to fire and the forging of metal. The book denotes the learning and knowledge held by the IMI on behalf of the profession. The significance to the IMI of depicting the book as an illuminated manuscript is unknown, but it perhaps hints at a long and illustrious past, steeped in tradition. There is an obvious gap between this implication and the relatively recent formation of the IMI (in 1920) and its association with a very 20th century technology. The bird is described in the College of Arms description of the arms as a 'daw', an abbreviation of jackdaw, and a pun on the name of the petitioner for the arms, Stanley Sidney Dawes. In heraldic tradition, jackdaws and ravens are also symbolic of enduring constancy and thus refer to trustworthiness. The motto 'Integritas & Scientia' summarises the overall message of the coat of arms; that this is a modern, technology-driven profession but one rooted in integrity and trustworthiness.

The IMI code of conduct, also reproduced in the brochure, is also a combination of gentlemanly values and those relating to technical competence. Out of 12 clauses, 5 relate to values that are based in gentlemanly ideals. Members are exhorted to behave with integrity, courtesy and consideration and to respect confidentiality of information given by customers, employers, staff and suppliers. They should, at all times, act in a 'strictly professional manner'. They are also exhorted to uphold the standing of the profession and of the Institute and to avoid injuring the reputation of another member. It is difficult to escape the impression that members have been admitted to a gentleman's club. Finally, the notion of disinterested service surfaces in the injunction to avoid incurring 'personal gain through abuse of professional position'. Of equal importance to the content of the code is that it is available to purchase inscribed on a brass plaque, reminiscent of the brass plaques used by the established professions such as doctors or solicitors architects. Not featured in the brochure, but also available for purchase is the IMI tie, striped like a regimental or public school tie and featuring the crest, that again seems designed to position the wearer as a member of an exclusive gentleman's club. There are no equivalent offerings for women.

These cultural signifiers, together with the strap line on the brochure (the driving force for professionalism), encode the message that this is a dynamic, goal-orientated profession but one that espouses gentlemanly values and is therefore trustworthy.

It is perhaps ironic that through these symbols and artefacts, the IMI is making a claim for a status that would have been vehemently denied by the very members of the Victorian and Edwardian social elite from whom they have been appropriated. To them, the motor car symbolised an undermining corrosive plutocracy. The historian David Cannadine reminds us that the advent of the car 'helped consolidate the triumph of the town over the country, of the mass over the elite, of industrial riches over landed wealth, and of speed over repose' (Cannadine, 1996, p 212). Cars were

driven by those who were vulgar and inconsiderate and who drive 'recklessly and without proper consideration for other users of the road'. Wealthy, but lacking in social graces, they merely demonstrate 'wealth's intolerable arrogance', abusing the privileges given them by money with 'an inconsiderate insolence' which demonstrated 'the extent to which the wealth of England, during the past half-century, has passed away from the hands of gentlemen' (Barty-King, 1980, quoted in Cannadine, 1996, p 216). O'Connell (1998) reports that urban workers also resented the intrusion of the motor car on city streets where street life was disrupted and where they symbolised a combination of class privilege, leisure and the means to acquire such luxurious symbols of ostentation with an arrogant disregard for workers' lives and livelihoods. Thus early car ownership was associated with urban big-business interests; that section of the middle class that had money but not the other qualities which would entitle them to be called gentlemen.

However, from today's perspective, early car ownership symbolises something quite different. The mass-produced cars of today are built by multinational corporations who are ruthless in driving down the costs of production and increasing efficiency. Assembly line work is associated with soul-destroying routine while human beings are replaced, where possible, by robots. In the UK, the car industry signifies long-term decline and the loss of a manufacturing industry that once made Britain 'great'. Driving is regarded less and less as a leisure activity, and more as a necessary evil associated with overcrowded roads, noise, pollution, road rage and stress. Today's drivers are nostalgic for the days when cars were built with skilled hand-craft, when the freedom of the open road promised by so many of today's car advertisements really existed, and when AA patrolmen would salute their members. This is the version of the past that the IMI has appropriated and packaged up, smoothing over the political, economic and social forces which produced the motor industry and its own inception. It is participating in the production of the culture industry by domesticating and gentrifying its own historical origins.

However, there is no picture of Fanshaws on the IMI website, while the crest is buried within the site and presented as being of historical interest. Rather, the focus is on the technical qualifications and competences held by IMI members, although the code of conduct does appear. This accords with Abbott's view that society currently seeks professional legitimisation by technique as opposed to legitimisation by character (Abbott, 1983). Indeed, the IMI foregrounds its role as the main awarding body of national qualifications for the automotive industry, from technical aspects through to sales and marketing. Entry and level of entry is determined by level of vocational and academic credentials. The symbolism of gentlemanliness is therefore largely invisible to the public, but is directed at members or potential members of the IMI. Credentialism appears to be an insufficient way of satisfying the aspirations of this occupational group which generally lacks social or ethical status and would probably not even be regarded by many as a 'profession' in the traditional sense. The recruitment literature has made use of a distinctive cultural heritage on which the authority and claim to status of the professional and gentlemanly elite rested. In Adorno's terms, the purchase of membership must also offer the promise of transformation into gentlemen with higher and more noble ideals through the opportunity to purchase a set of social markers aligned with this heritage.

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Excess to Requirements? Older worker Construction in one UK Supermarket Chain

Kat Riach

**** WORKING PAPER: PLEASE DO NOT REFERENCE WITHOUT SEEKING
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Abstract

With the impending 2006 anti-discrimination legislative deadline, current research into organizational age discrimination has placed an impetus on the consequences of ageism and economic pressures of an ageing workforce, rather than endeavouring to understand the social processes which create and reproduce ageist ideologies within an organizational context. This paper begins by understanding age inequality within the 21st century as sharing the characteristics of ‘new ‘isms’ (Barker, 1981) where explicit unequal attitudes become more covert and subtle and are denied by a majority of both those who are possible targets for discriminatory attitudes and those that may hold them (van Dijk, 1992; 1998). This means that new ways of investigating and analysing organizations must be employed in order to acknowledge underlying processes of social construction. To further explore this perspective, the work of Pierre Bourdieu is employed as a basis for theoretical and methodological development in order to understand how the discursive construction on the ‘older worker’ may in itself serve to marginalize and contribute towards age inequalities within one organization.

Introduction

There has never been a time when age related inequalities in the workplace have been more relevant, both on a political and social stage. Despite being labelled ‘the new diversity issue’ in the early 90’s (Capowski, 1994), it was a European directive in November 2000 (EU Commission, 2000) which prompted the UK government to pledge the introduction of anti-discrimination targeting age discrimination in employment by December 2006. Two consultative papers have been produced which highlight the complexity of issues surrounding retirement, pension and welfare schemes and existing employment policy (DfEE, 1998; DTI, 2003). Whilst the introduction of a voluntary code of practice predates this European deadline (DfEE, 1999) its apparently successful adoption has been questioned (Loretto et al. 2000) and positive signs of change may be attributed to a buoyant economy rather than changes in attitude.

Demographically, the government's concern for age diversity at work is well heralded. There is a question over whether diminishing birth rates will be able to support the retired baby boom generation as well as heightened worries concerning insufficient private or occupation pension schemes (Vicarstaff et al, 2004; Mayhew, 2001; Aurthur, 2003). Economic activity of those in the upper age range of the workforce is also documented as 'placing pressure' on the economy with 29.3% of all those between 50 and state pension age not in employment (Age positive, 2004). Further studies reveal that the likelihood of the over 50's re-entering the workforce diminishes significantly after 50 (Campbell, 1999; Alcock et al., 2003). Yet this governmental concern is a U turn from the promotion of early exit policies in the late eighties and early nineties, where employees over 50 were encouraged to leave the workforce through early retirement packages used as quasi redundancy (Casey, 1992; Platman and Tinker, 1998) or the use of incapacity benefit schemes (Duncan, Loretto and White, 2000; Duncan, 2005,). Yet a House of Commons enquiry (House of Commons, 1989) initially set up to focus on ways of easing employees into early retirement projected future dependency rates and a decrease in those entering the workforce would result in economic difficulties and thus reframed early exit as ageist, setting about ways to curb its increase through investigating issues such as push and pull factors for early exit where individuals are voluntarily 'pulled' or involuntarily 'pushed' out of the workforce before 65 (Schultz et al, 1998).

It appears that organizations may be unconvinced of the governments business case approach to age discrimination (Duncan and Loretto, 2004) which 'semi campaigns' (Duncan, 2003) for the business sense in employing an age diverse workforce, such as collective corporate memory and experience (Taylor and Walker, 1995, Age Positive, 2002). Yet by encasing ageism within a rationalistic discourse using 'common sense' solutions, the imbedded nature of inequalities remain unexplored, resulting in a reactive framework for tackling age discrimination. Moreover, it leaves open the possibilities of dangerous loopholes where age discrimination can be *objectively justified by a legitimate aim and the means of achieving that aim are appropriate and necessary* (EC, 2000: Article 6).

In light of these disparities, other studies have attempted to examine the psychological categorization of older workers. Favourable connotations of older workers as

reliable and loyal (Tillsley, 1990; McGregor and Gray, 2002; Loretto and White, 2004; Loretto, White and Brown, 2004) still fail to conquer the discriminatory stereotypes of older workers as maladaptable to change, new technology or training (Warr and Pennington, 1993; Itzin and Phillipson, 1993; McGoldrick and Arrowsmith, 2001; Chiu et al., 2001). Whilst the relationship between these two sets of beliefs has yet to be investigated, some studies (Snape and Redman, 2002) have linked this stereotyping to social identity theory (Tajfel and Turner, 1986) where an insider-outsider hypothesis results in the outsider, in this case the older worker, been seen unfavourably. Yet this dualistic assumption underestimates the complexity of age identity and inequality. It is clear that the theorising age inequality is still very much in its infant stage.

More attempts at sociologically theorising organizational ageism have been made into the interrelationship between age and other social inequalities. Whilst initial studies of ageism called to distance it from other forms of ‘isms (Bytheway, 1995), age does not stand on its own as a (constructed) social categorization and can often be felt as a double (Itzin, 1986; Barnum et al., 1995; Arber and Ginn 1995; Itzin and Phillipson, 1995) or even triple jeopardy (Havens and Chappell, 1983). In one organization, a survey of 2000 employees of all ages suggested that across the age spectrum, women experienced age discrimination more than men within the lower and upper bands of employment (Duncan and Loretto, 2004), suggesting they were ‘never the right age’ (Itzin and Phillipson, 1995). This is supported with social research where older women were subject to more age-related characteristics, such as hags, mutton dressed as lamb, witches or interfering old busybodies (Ginn and Arber, 1991). In the workplace particularly, women have also been constructed as having a ‘feminine advantage’ where they may accept lower paid or status jobs rather than men, a clear example of the gender-imbedded nature of age inequality (Ainsworth, 2002).

Theorising Organizational Ageism

As discussed above, the interplay of age and gender has begun to approach age inequality as a socially constructed phenomena which serves to marginalize through the social classifying of individuals being ‘older’. Taking this social constructionist

perspective helps to develop a way of examining age which may serve to challenge existing complexities in organizational ageism outlined below:

- Initially, the biological categorization of age is continuous, rather than having a set number of groupings, such as sex or, to a lesser extent race. This has meant that those subscribing to a realist or positivist perspective may have to make a contentious decision over placing the older worker and often relying on false dichotomies such as older and younger.

- Secondly, the 'older worker' label has had its place in challenging assumption but itself faces problems of over simplicity which could limit future research directions examining age inequality. This problem is apparent within the academic corpus of literature on age inequalities where, despite evidence of the term 'older worker' applying to 35 year olds (Employers Forum on Age, 2000) the term is often assumed as only including those aged 50 and above (e.g. Age Positive/DWP, 2002).

- So far a majority of organizational literature investigating age discrimination has failed to highlight the manifestation of power relations which underlie the reproduction of age inequalities at work. Approaches using the business case principle serve to hypothesise ageism as irrational resulting in a premise of false ideology. By viewing labels or classifications as constructs produced to maintain or result in the domination of a particular individual or group, we may begin to understand ageism as processal and dynamic, rather than static social 'fact'.

- The introduction of age discrimination legislation may also make it more difficult to assess discriminatory attitudes and beliefs where inequality breeds at a covert, underground level. Other legislated inequalities such as race and gender have encapsulate a 'new' inequality (Barker, 1981) where explicit unequal attitudes become more covert and subtle (Akrami et al., 2000) which is denied by a majority of both those who are possible targets for discriminatory attitudes and those that may hold them (van Dijk, 1992; 1998).

Moreover, there is little development of contextual nature of age or interrelationship of identities and its affect on organizational ageism. This paper proposes that a social

constructionist perspective can help to understand the discourses surrounding organizational age inequalities. A social constructionist view helps highlight the social processes which create and constitute life which can be subjective, manipulated and at times contradictory (Burr, 1995). This means that both the discourses surrounding ageism and the socially constructed identity of the ‘older worker’ (understood here as a problematic label in itself) are contested and subjective constructs.

Bourdieu and the Construction of Age

As the preceding discussion shows, in order to further the exploration of organizational ageism, one needs to conceptualise ageism and age inequalities as open, contingent and context specific. Within current critical studies, Foucault’s work on power and institutions (1977) has been commonly and liberally cited as a theoretical foundation on which to base such studies, where utilisation of his theories has ranged from a developed and integrative theory to a chocolate box approach where particular aspects of his work are meshed together to varying degrees of success. Indeed, Foucault provides us with a number of useful perspectives which help to investigate underlying processes of power and control (Foucault, 1972; 1977) and reference to him at this very conference highlights his continued ability to enliven debate around organizational perspectives and phenomena. Yet this has often been to the detriment of his contemporaries who may also provide new insights into notions of inequality (Everett, 2002). This paper uses social theorist Pierre Bourdieu to provide an alternative perspective into age inequality.

In his theory of practice, Bourdieu aims to transcend the polarization of subjectivism and objectivism through, somewhat originally named Subjective Objectivism (Bourdieu and Wacquant, 1992). This is attempted through his main concepts of habitus (a term borrowed from Mauss, 1973), field and capital. To give a brief overview, habitus is an interactive set of dispositions unique to each individual (Bourdieu, 1977a, 1990) which provides a way of understanding and reacting within the world. Social practice is thus determined through a form of cultural unconsciousness which at once of socially structuring and structured structure,

inscribing seemingly objective practice. Yet these schemata of perception also works through abstracted arenas in which to modify its practice through networks and interaction, termed fields (Bourdieu, 1989; 1990a; 1993a). Whilst these overlapping fields may include the physical area, such as an office building, they seek to conceptualise all the influences on that particular 'space', such as intangible forces, for example, the economy (Brubaker, 1985) as one field, although still an arbitrary social construct (Bourdieu, 1990). Yet the relationship between these two concepts are not merely cognitive; the interrelationship operates on a political level where symbolic systems serve not as instruments of knowledge, but of domination (Bourdieu, 1977a; Everett, 2002). Due to this fields differ from the concept of systems since they are in a constant flux of change due to the contestation over power resources within these microcosms. These power resources, or 'capital', do not only take economic value. These may also include cultural capital, knowledge skills or embodied in physical looks; or social capital, power gained through relationships. Yet only when they are 'converted' into symbolic capital that is recognised and legitimised within the particular field that they can be used to exert power and influence. It is with this symbolic power that one maintains the ability to consecrate, create, and reproduce legitimate visions of the world (Bourdieu, 1989).

Practices based on age are therefore controlled through social taxonomies, products of power relations which seek to reproduce their own view of the world. The 'field of work' is not only confined to beliefs about organizational practices, but also intertwined with the beliefs reiterated throughout society concerning ageing in general. This means that we have the potential to integrate into our analysis wider held views of society such as in the media or literature where ageing is portrayed as degenerative and fear of a Thithonian fate is synonymous with growing older (Moody; 2002). As these ideas become subsumed within the habitus, they begin to reflect a sense of practice or fact about the way we think and operationalise our lives which influences organizational practice.

Whilst Bourdieu made little explicit reference to age with the exception of a short interview (Bourdieu, 1993b), his arguments around gender inequality warn of adopting dichotomous positioning, such as young and old as they assume a connotative link with the 'doxa' to associate or naturalize the constructions with

biological classification (Bourdieu, 2001). This seeks to create symbolic violence, a form of invisible domination whereby a cultural arbitrary becomes an objective classificatory system through misrecognition (Bourdieu, 2001). As with gender, differences on age become *social-logically necessary* (Bourdieu, 2001:2) and through their social and historical reproduction are re-iterated and reinforced into practices which favour one particular 'age' over another.

Methodology

This particular case study organization focuses on a large multi-national supermarket chain, 'Pricerite' who are listed an 'Age Positive Champion' for their pro-active approach in the employment of older workers within their stores (Age Positive, 2005). The 8 texts used within this form part of a corpus of interview transcripts and secondary data analysing the discursive constructions surrounding ageism and the older worker. They are all concerning with the recruitment and employment of the over 50's, named 'goldies' by the organization. Data analysis took place in three stages. First, a 'thematic decomposition' (Stenner, 1993) was undertaken to identify the thematic dynamics created both within the text, and which may be representative of the wider discourses under study (Huckin, 2002). Then, through comparative textual analysis techniques (Fairclough, 1995), modifications between framing and constructions of employment and the older worker were selected. The final stage then concentrated on the constructions around the identity formation of the older worker and their relationship between constructions of employment within the text using techniques employed within 'discourses of difference' literature (e.g. Wetherall and Potter, 1992) to highlight moments of dissimilarity or difference.

Traditionally, job advertisements and recruitment strategies have been conventionally viewed as inferring organization culture, aiming to attract the 'right' candidates whilst at the same time not encouraging too many people to apply (Cassio, 1998; Gatewood, et al, 1993). Past studies have examined particular sets of job skills through content analysis (e.g. Maeir et al., 2002), where analysis begins by stating the ideas espoused are the result or reaction of external environmental or organizational pressures (Redman, and Matthews, 1997), and not as actively constructing reality themselves. Here, recruitment centred text are not only viewed as displaying the required

competencies sought (Gray, 1999), but are viewed as tools serving to create and reproduce organizational ideologies. By identifying job skills and attributes required, they construct the epitome of a Shoprite older worker. Written documents were thus seen as a form of consumer orientated text (Halliday, 1985) both serving to reinforce internal identities and norms within the organization, and as a product shaped by political and cultural forces of the press as to wider society (Fowler, 1991).

Discourse analysis.

With the evolution of the linguistic turn in critical theory (Alvesson, 2002; Grant et al., 2004), discourse studies have embraced the work of Foucault as a theoretical foundation for their subsequent analysis. Reacting against structuralist contemporaries (Isenberg, 1991), power is seen as polymorphic and discourses operate on multiple levels and dimensions, and be inseparable from truth and knowledge claims (Brewis, 1998). Discourse is thus a *socially constructed knowledge of reality* (Kres and van Leeuwen, 2001:4) which serves not simply to represent but transform the social practice of reality (Alvesson, 2002).

This surge in popularity of studies using discourse analysis may be seen as testimony to its value in investigating processes behind social construction, or simply its brilliant ambiguity as a one size fits all methodology. Its organic evolution from a number of disciplines (Grant, Keenoy and Oswick, 2001; Grant and Iedema, 2005; Drummond, 1998) has created an umbrella term for a diverse variety of approaches which have only recently attempted to be mapped (e.g. Phillips and Hardy, 2002; Alvesson and Karreman, 2000a); Grant et al., 2004). The level of analysis, from the micro to macro (crude terms, I understand) to the extent to which agents themselves are structured or structuring also brings confusion and invites criticism (Alvesson and Karreman, 2000b). Moreover, ironically, considering its intention to investigate underlying meaning, the term 'discourse' is left to fend for itself and often draws striking similarities to notions of culture, institutions or rationalities (Alvesson and Karreman, 2000b; Antaki et al., 2002; Ball and Hodgson, 2004). Of course, discourse may capture elements of all of the above, but to what extent each mode of analysis differs, and the extent to which is often not explicated. The theoretical depth one may need to go to in exploring such notions within imposed word limits may mean that the agent

or empirical work is relegated to proving theory, rather than vice versa. As a result, discourse analysis can often be a miasmatic methodology where, instead of elucidating the data, a vagueness of method undermines the research itself which *moves stealthily like a chameleon signifier, easily changing colour to suit its environment while steadfastly holding on to its name* (Rhodes, 2005:795).

Whilst not aiming to solve such issues, Bourdieu may serve to help enlighten the view of discourse taken within this paper and the position from which discourse analysis is employed, although he himself does not engage with a discursive form of analysis in any of his main empirical work. Agents are not only acting and living in the existing social world, but are historically situated and influenced through the habitus. This habitus, which serves as a heteroglossic memory pad from which people not only make sense of the world through discourses, but react to them and thus form their own reproduction of what constitutes as reality.

Bourdieu also embraces the notion of discourses as dynamic forces. Through the act of joining a particular field, agents accept the beliefs and ideologies which co-exist within that arenas and are filtered and transferred back through the habitus as a mean of understanding ourselves and others. Here a distinction must be underlined between the organization as a physical place of work and the organizational field in Bourdieusian terms, an abstract ideology in itself dynamically driven by power and dominance, similar to Chouliaraki and Fairclough's (1999) notion of ideologies. Constructions of practice thus smooth over quandaries, struggles and distinction in order to misrecognise inequalities of power (Bourdieu, 199; 1991). Discourses are thus created through the integration of habitus and field influences.

Bourdieu also allows us to build in the notion of social control into a discursive framework where the power to *name* remains an integral element (Fowler, 1991); therefore language is not only a means of communication or expression but a tool of power (Bourdieu, 1977b; 1991). Whilst all agents may have the *potential* to reconstruct reality, that is not to say they are deemed by others as having the legitimacy to do so (Bourdieu, 1991; Van Dijk, 1996). It is the dominant, those who have substantial symbolic power and access to resources who are able to access and reproduce mode of thinking in terms of discursive hegemony (Van Dijk, 1994). With

access to socially valued resources, conceptualised as forms of capital by Bourdieu (1983) and exemplified by Van Dijk (1993b), discourse is thus viewed as a form of symbolic asset (Bourdieu, 1977b:651). Whilst these social structures or positions themselves are socially constructed, that is not to say they are any less powerful or appear as less ‘real’ to the individuals. Despite the fact that Bourdieu may be seen as over-emphasizing the performative element of linguistic markets and falling into the determinism he criticizes Austin for (Bourdieu, 1991), it is a useful tool which helps both underline the contextual and pseudo-structural dimensions of discourse. Here, age inequality is *developed by dominant groups in order to reproduce and legitimate their domination* (Van Dijk, 1997a:25) and through presenting construction as assumed, and building arguments around them, they seek to legitimise and objectify underlying discriminations.

As a result of the above premises, this paper follows the Critical Discourse Analysis tradition which seeks to explore and understand ways in which inequalities are constructed, reproduced and enforced in discursive action (van Dijk, 1993a; 1999, Fairclough, 1992;2001; Fairclough and Wodak, 1997). Critical discourse analysis focuses specifically on the construction and reproduction of power dynamics (van Dijk, 1997b) and has often been employed in terms of analysing inequity both in society in general (Potter and Wetherall, 1987; Fairclough and Wodak, 1997) and within organizational studies (Grant et al., 2004). Within discursive processes, ideologies undergo a process of ‘semiotic evolution’ through which they are reproduced and reformed, or new ideologies created. Although this has been extensively employed amongst gender and racial studies, it may also prove useful in developing a sense of how such complex and loaded constructions surrounding ageism and older workers may be understood.

As with any analysis, the linear nature of this article undermines the complexity of the discursive, constructions created within the text. However, for the sake of clarity, the subsequent analysis is presented in terms of the integral thematic constructions of older workers, which contribute to the overall construction of older worker as ‘excess to requirements’.

ANALYSIS: Older worker Construction at Pricerite

This paper focuses on the construction and re-production of older workers as ‘excess to requirements’, despite the organization having an active recruitment campaign to target those over fifty. This emerged through a series of discursive processes to create, differentiate, and justify their ‘Older Worker’ identity. Older workers were complemented on their uniqueness as a labour force and noted for bringing specific qualities to the workplace. Yet through their discursive transcendence of financial issues, such as pay, promotion or organizational profit, they are situated out with the economic labour market. Within this analysis, the notion of discursive strategy is understood as the abstract realization of creating practice or action. As a result, the text is able to carry out acts of symbolic violence, which seeks to impose a ‘common sense’ approach to older workers as excess to requirements.

Execution of older worker from ‘normal’ worker.

The use of discursive strategies of dissimulation is one of the key notions of identity formation (de Cillia, Reisigl, and Wodak, 1999), categorizing and defining one group as different from the other or norm. This is exemplified immediately with the ideological assumption of older workers as undesirable to other employers.

Wanted – older workers – Yes, really!

Other companies employing a typical workforce are missing out

The presupposition moves the ‘over 50’s’ from part of the workforce into a separate group that have individual needs. Customised employment campaigns are highlighted as solely seeking to employ and present over 50’s by targeting them out with conventional recruitment campaigns:

***** ***, special events co-coordinator says...it will be an informal invitation for people to come in for a coffee and a chat about part-time work- we’ve seen this is a successful recruitment strategy*

In a bid to take job advertising off the page, recruitment teams, accompanied by older colleagues will be scouring coffee mornings and pension queues armed with flyers

As potential employees the over fifties are framed as ‘special cases’, requiring the company to modify its traditional means of employment. Discourses of difference (Wodak, 1996; Cameron, 1997) often seek to base their assumptions on structures of reality and common sense supported through cognitive expressions such as ‘seen’ and ‘heard’ (Zanoni and Janssens, 2004:64). This is also effectively achieved through the ideational function where the employment of emotive indexes serves to conceptualise a bond between potential employer and potential employee by serving the needs of the addressee or subject (Jakobson, 1960). This combined ‘head and heart’ linguistic strategy serves to effectively realign the position of the company within a paternalistic role to the potential employee:

We understand that we are targeting a unique kind of worker who may be put off by on-line applications or formal group interviews, and we’re willing to make changes to our traditional recruitment pattern

The potential employee is projected as not necessarily pro-actively looking for work, placing the impetus on the organization to highlight employment opportunities. Here the relationship between the company and older worker is constructed as a paternalistic affiliation with the older worker. This contrasts to more ‘traditional’ patterns of recruitment such as posters and newspaper advertisements where concepts of the career and role of work are shaped and defined (Koester, 2004) through symbolic exchange. The would-be employee is thus seen as affirming their organizational identity through answering a call for certain characteristics or traits (Schmidt, 2000).

The identity of the older worker is further constructed through alignment of particular shared characteristics. One such example is the application of adjectives such as ‘mature’, which become synonymous with the Goldie; not only may they be seen as chronologically mature, but carry certain characteristics related to age ipso facto on account of their age alone, such as stability. As the latter excerpts shows, this is done

using a range of justification patterns, such as the syntactical alliance of absenteeism with the composite of older workers. The result is similar to strategies used in political or media documentation where rhetorical structures seek to neutralize and rationalize the presented constructs, heightened through the use of numerical data or figures, rather like a statistical pedagogy (Fairclough, 1995). In this instance, quantification serves as a persuasive technique not only to ‘prove’ the positive impact of older workers, but to legitimize the overall text by assigning a form of economic value, albeit an illusory relationship (Bourdieu, 1991). However, as the last excerpt below highlights, these are grouped with non-quantified descriptors, used to further define the older worker within a factual lexical structure.

Our older colleagues bring a maturity and stability to the workplace which results from a coming of age.

Since the increase of older workers, Pricerite claims to have seen absenteeism drop to levels a third lower than the national average.

Since the increase of the number of older workers in these stores, labour turnover rates are one per cent less than average and have a more flexible and better motivated workforce.

Thus the older worker becomes a generalizing synecdoche for a particular ‘personality type of worker’. This construction is supported by a range of characteristics which are based on essential assumptions about the comparison of Goldies with other members of the workforce

Older employees introduce a method and calmness about the workplace instead of the flightiness of youth, not to mention the knowledge they bring.

We encourage the over 50’s because of the maturity and commitment this age gives.

The stability and steadiness they bring is invaluable.

The employment of contrast structures between young and old further separates the older worker. Yet here the biological stereotypes are transformed into personality characteristics. Rather than being a personal or individual choice or decision, slowing down is presupposed and synonymous with being an older worker. From this a naturalization and process of metaphors of fit (Macnaghten, 1983) occurs between their biologically determined characteristics and what they can offer the company.

Older worker as post careerist and self actualist

Despite this positive depiction, the construction may still serve to promote inequality and marginalization (Gill, 1993). By constructing Goldies as flexible, satisfied and mature, they are negating the possibility to be the opposite: dynamic, eager for career progression. In other studies, the inclusion of workplace development and promotion has been seen of integral importance to the employees' identity and self worth (e.g. Alavi and Askaripur, 2003). In contrast, the older worker is created as oxymoronic to the traditional work cycle consisting of promotion and development. Take the soundbite included in one text where Gordon alligns the construction of being 'career mad', as an undesirable attribute.

Gordon, one of our greeters says, 'I might not be as sprightly or career-mad but I've been dealing with people for 63 years!'

This execution of older worker from the existing labour force was supported by the discursive syllogism between requirements for positions and the characteristic of older workers discussed later.

Of particular importance are strategies of condescension (Bourdieu, 1991). Whilst appearing to negate power and promote equality 'for their own good', these serve to reinforce their own legitimacy in marginalizing or placing individuals or groups into categories.

We understand your commitments and lifestyle could be different now that you might be taking life a bit more slowly. So not only do we offer flexible hours, we offer benefits especially for the over 50's

This is emphasized through the use of another speaker's voice to reinforce and support the argument, either through direct or indirect speech (Fairclough, 1988). This is achieved within the text through quotations and sound bites from current Goldies, acting as a persuasive function and bodily manifesting the creation of the older worker within the rest of the text, legitimising the previous voice through seeking to realize the claims that have been made.

'Best of all is the way I felt valued, its not just the benefits, it's the attitude of the colleague's.

Bill from Portlethen says... 'All the colleagues are so good to me and work keeps me active and out of the pub'.

The employment of a double-voiced discourse' (Bakhtin, 1981) aims to *serve two speakers at the same time and expresses simultaneously two different intentions: the direct intention of the character who is speaking, and the refracted intention of the author* (Bakhtin, 1981: 324). As creators of the text, they are subject to the shaping and inclusion of this voice, and its subsequent framing. The employment of the 'voice' of the older worker, thus produces a potential dialogue embedded within the text between the older worker and the company and presents them as ideologically in harmony with each other

The older work construction is then aligned with particular jobs available, typically entry-level and with emphasis on personality characteristics, rather than finite job skills:

Older workers have proven to be particularly good greeters – people at the front of the store welcoming customers, letting them know about today's best deals and announcing when hot bread is ready.

Older workers could do any jobs but we have found they are wonderful greeters.

Through the emphasis on experiential meaning (proven, found), a rational fit is created between the older work and particular jobs. However, there is little alignment with the integral part of the older worker in either the company's overall direction or strategic success. This contrasted strongly with other employment strategies, such as the excerpt below, taken from company recruitment pages, which aligns the worker within a larger company culture:

At Pricerite, we're never content to rest on our laurels. That's why we're constantly innovating and working hard to make sure that we do all the things that we do well, and will do even better in the future.

We can promise you endless challenges and responsibility from day one. And like us, you'll find you are continuously developing and growing along the way...

Here desirable characteristics of the employee are synonymous with company vision and strategy. Dynamic and forward thinking, like the company, their enthusiasm for personal and career development is presented as mirroring the organizations continual market growth.

Whilst the initial differentiation helps to develop the specific characteristics of older workers vis a vis the 'norm', there is also a system of polarity which serves to not only distance them from the 'normal' worker, but construct the reasons why they seek employment. Comparisons were used to create a positive image of older workers as able to contribute in Pricerite through the lexical cohesion of older colleagues and characteristics of particular jobs.

Silencing Structures

Silencing is of course heavily dependant on the genre and context in which the text is imbedded (Swales, 1999; Huckin, 1995). In the case of the text under analysis, there are significant textual silences in terms of financial and development options and

awards, despite studies highlighting pay as an important job attribute which has been shown to have a strong influence on the attractiveness of a job to an individual (Rynes, 1987; Rynes, Schwab, & Heneman, 1983). Similarly, pay ambiguity possibly leading to negative inferences about salary (Yuce and Highhouse, 1998). To use Huckin (2002) terms, this may be seen as ‘manipulative silence’, silences which withhold information distorting the particular ideologies it serves to promote or marginalise.

The only reference to economic need was set up in direct conflict within more ‘self actualizing’ construct investigated earlier. One of the benefits highlighted in all texts was entitled ‘Sunshine break’ where unpaid leave could be taken from January to March,

Sunshine break means you can enjoy the better things in life regardless of time, job or length of service.

This reinforces the notion of seeking intrinsic rewards from work through little economic impetus for Goldies to work as a means for financial survival. Due to the surplus of staff, Goldies are temporarily dispensable when there is a surplus of staff after the Christmas period. Instead, any economical impetus was placed inside a wider societal domain to frame older workers within economic pressures within the labour force

Our workforce growing older is a problem we need to address...

Just now we know a third of the UK's over 50s are currently out of work; there will be 2 million more people over 50 in the potential labour force by 2020. That is a pool we are going to utilise.

From the speaker turning the nominal group ‘we’ as Shoprite, into the ‘we’ representing a society as a whole. Through introducing and contextualising within a macro-political domain, Pricerite is not only presented as a moral and ethical benefactor, but as reacting to a larger demographic problem. The introduction of this sub-topic serves to reframe the older work construction. Moving from providing a

service, the pressure to become an employee is more a push factor from the economy to enter the workforce rather than become a problematic draw on the economy. Thus the personal pronoun creates another double-voiced discourse representing the 'voice of society', objectively reasoning and legitimizing the drive for such strategies.

Conclusion

This study does not wish to provide comprehensive conclusions about how ageist constructions are acted out in the day-to-day practice of employees, but instead highlight the complexity and imbedded nature and projections of inequalities through differentiation, and new ways to approach the issue of organizational ageism, both theoretically and methodologically. Whilst cross generic studies within managerial domain have helped to widen the research agenda, cognitive approaches fail to uncover the multidimensional elements which contribute towards age inequality within the workplace.

In the analysis, the construction and reproduction of the older worker may be in danger of becoming another 'other', echoing the constructive journey of gender inequality where the imbeddedness of a male norm serves to marginalize or render the feminine redundant (Krais, 1993; Wodak, 1997; Ahl, 2004). Through a gender polarization (Bem, 1993), men and women's behaviour is ideologised as dichotomous and women being constructed as only suited to particular occupations or job types (Stobbe, 2005). To paraphrase West and Zimmerman (1987:146), Pricerite's text could be viewed as an example of an organization 'doing age' where social order is discussed and reproduced as arising from naturalized and rational differences within the resultant constructions legitimise the hierarchy of order as doxic (Bourdieu and Wacquant, 1992).

The role of language and discourse within the reproduction of ageism does not stop at the organizational level. At an academic and governmental level, it is not difficult to see that phrases such as demographic time bomb (Johnson et al., 1989) or the longevity revolution (Butler and Jasmin, 2002) may contribute to a social consensus or consciousness that the ageing population and those included within it 'troubles' society in some way, whether economically, socially or otherwise. The dangers of

reproducing the ideologies researchers serve to analyse or reject may be the reason that current research into age inequality and organizational ageism appears to have currently reached a plateau, and studies are veering away from examining ageism per se to focus on particular outcomes and ‘challenges’ to an ageing populations, such as pension or retirement schemes, or labour participations statistics. Yet without investigating the constructive processes which create and breed age inequality at work and beyond, and questioning these grounded norms, there is doubt over the prolonged success of future to challenge age in the workplace.

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Reading *Microserfs*: a story about research & development as a search for identity

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Abstract: In this paper I explore the question: What is R&D *about*, on a deeper level than creating innovative products or services? Based on my reading of Coupland’s novel *Microserfs*, a story of people creating innovative software, I argue that doing R&D can be understood as a search for identity. When people explore and develop innovative products or services, they are also exploring and developing who they are, what they do and why they do that – they’re reinventing themselves. Furthermore, I argue that how one relates to one’s body and one’s dreams is part of that search, and how that is problematic within a high-tech organisation, because there the body seems not to exist, and only certain dreams are allowed. I associate my reading with a debate about the relation between people and technology, and with my study of R&D as participant observer.

Introduction

This paper is part of my study of R&D as a participant observer [19]. The story goes that organisations try to innovate, in order to create new products and increase revenues. This story is especially dominant in the high-tech sector, where organisations do research and development (R&D) as an organised attempt to innovate. The story goes that organisations try to innovate because towards economic goals (increase revenues, increase market share!) or technological goals (more functions, more megabytes!). In this context of *excess* – the conference’s theme – I’d like to tell a story about an alternative way to look at R&D. In this paper I explore the idea that doing R&D can be understood as a search for identity. When people explore and develop innovative products or services, they are also exploring and developing who they are, what they do and why they do that – implicitly or explicitly, they’re reinventing themselves.

With this paper I aim to contribute to a debate about the relation between people and technology – or sometimes called: the debate of people *versus* technology. In this debate three positions can be distinguished (simplifying for the sake of argument):

1. A positive position towards technology, or: Let’s develop as much technology as possible, it’s man’s purpose to develop and use technology.
2. A critical position towards technology, or: People are – or: *should be* – more important than technology, let’s put some limits on technology.
3. A social constructivist position of the “co-construction of users and technologies”, which goes “beyond technological determinist views of technology [bullet 1, MS] and essentialist views of users’ identities [bullet 2, MS]” [15:p.4], or: people influence technologies, and technologies influence people.

I’ve been working for ten years in R&D in the telecom sector, and I’ve become increasingly critical about telecom technology. Sometimes I ask myself: Now that so many people use mobile phones, email, messaging, etc., has communication and understanding between people improved? Not always, I think. And what is my role in this, working in R&D? I feel attracted to the second position, a *humanistic* position, which wants to put limits on technology. But in my daily work I work with e.g. engineers, scientists, developers, or marketers who seem to be

working from the first position – they’re often eager to create and apply technology. And, to complete the list, my study of R&D is within the domain of organisation studies or science and technology studies, in which the default position is the third position. So, what’s my position?

Question

In January 1993 I bought an issue of *WIRED*, and it was a pre-publication of the first chapter of Douglas Coupland’s novel *Microserfs* [4]. I really liked that story, I was intrigued by it, because it was about technology, *and* it was about people. Around the same time, and for roughly the same reason why I liked the story, I decided to pursue to work in R&D in the telecom sector. (Or is this like looking back and constructing an identity for myself?)

Microserfs is a story of how Dan and his co-workers/friends Karen, Susan, Michael, Todd, Bug and Abe quit their jobs at Microsoft, travel to Silicon Valley and start-up R&D company, *Oop!*, which creates digital, virtual Lego. In the beginning of the story, Dan, the main character tells about a visit to a friend at Nintendo and a discussion with some people who work there:

All of us got into this big discussion about what sort of software dogs would design if they could. Marty suggested territory-marking programs with piss simulators and lick interfaces. Antonella thought of BoneFinder. Harold thought of a doghouse remodeling CAD system. All very carto-graphic/high sensory: lots of visuals.

Then, of course, the subject of catware came up. Antonella suggested a personal secretary program that tells the world, “No, I do not wish to be petted. Oh, and hold all my calls.” My suggestion was for a program that sleeps all the time.

Anyway, it’s a good thing we’re human. We design business spreadsheets, paint programs, and word processing equipment. So that tells you where we’re at as a species. What is the search for the next great compelling application but a *search for the human identity*? [4:p14-15, italics added – MS]

The idea that doing R&D can be understood as a search for identity struck me, and I make that reading of *Microserfs* central in this paper. The idea appeals to me, because it draws attention to searching and identity, concepts typically associated with being human – and not to technology.

This paper is also an exploration of possible themes for my study of R&D. Most studies of R&D deal with technological or economical aspects, or with attempts to manage and control creative processes – the *human side* is often neglected. That is peculiar, if you think, like I do, about innovation as something which *people* do [2]. A recent study identifies organisational culture, employees’ experience with innovation, character of the R&D team, and management style – the *human side* of R&D – as related to successful innovation, whereas factors like financial spending on R&D, innovativeness of the product or organisational structure are less related to success [16]. I’m eager to explore alternative ways of understanding what R&D is about, on a deeper level than developing innovative products or services

The paper’s research question aims to combine a curiosity about the relation between people and technology, a curiosity about the *human side* of R&D, and an eagerness to explore alternative ways to understand what R&D is *about*. The research question then reads: “If we look at people doing R&D, and if we focus at typical human activities, what do we see, and what does that tell about what R&D is *about*?”

Approach

I work in an R&D lab, and plan to study several practices of myself and my colleagues, in order to learn about doing R&D as a participant observer [19]. This is an *involved* role and style [5:pp.43-44]: I am part of what I study. In this role and style I’ve found it difficult to combine this level of involvement – needed to have access to what I study – with a level of distance – needed to be able to analyse and theorize. Wouldn’t it be nice if I had an insider’s account of someone else of situations which I want to study? A *thick description* of R&D in which I am not

involved myself? It is in this context that I propose to read *Microserfs* as ethnography about people doing R&D.

There have been participant observations and ethnographies of R&D. Bruno Latour and Steve Woolgar studied “laboratory life” [12], Gideon Kunda studied “engineering culture” [11], Tracy Kidder wrote about the creation of a computer [10], and Steve Woolgar studied usability trials of computers [22]. I read their texts and found these interesting. But these are *their* analyses and interpretations, and I’d like to have a text to analyse and interpret myself. Enter *Microserfs*.

I realize that *Microserfs* is positioned as “a work of fiction” [4:p.iv], but I agree with Matthew Higgins that “the scientific method used in the study of organizations is not the only form of knowledge that can be utilized” [7:p.7]. Also, one can argue that all texts, including “scientific” ones, contain some dose of the author’s subjectivity. What I find attractive of *Microserfs*, and what distinguishes it from ethnographies, is its style of *heightened naturalism*. In it, reality is exaggerated: what is usually hardly visible is brought to surface and is highlighted. *Microserfs* contains only few accounts of what researchers and developers *do*, unlike regular ethnographies [10, 11, 12] which do contain detailed accounts. What *Microserfs* does bring to the foreground is what R&D is *about* on a deeper level: Stephan Dalton (*Vox*) states that from the story “emerges a yearning for spiritual depth and permanence in a world of random misfortune and economic turbulence” [4:back].

With this choice to read *Microserfs* as ethnography, questions about validity enter the scene. How to handle these depends on the choice for a specific approach or philosophy of science – e.g. a positivist, a relativist or a constructionist approach. I choose a (social) constructionist perspective, and the validity question then reads: “Does the study clearly gain access to the experiences of those in the research setting?” [5:p.53]. There is evidence that Coupland did fieldwork before writing: he acknowledges twelve people [4:p.v] of whom several are insiders in the high-tech world, and some claim to have been interviewed by him [3]. Furthermore, Peter Martin (*Financial Times*) praises the book’s “endlessly detailed description of the present, which captures a mood and a moment with unrivalled deftness” [4:p.ii], and Rom Lappin (*Scotsman*) praises Coupland’s “unrivalled reportage accuracy, his feel for motivations and obsessions of a social group” [4:p.ii]. And Philip Greenspun, who can be considered peer of the novel’s characters, as a teacher in electrical engineering and computer science at MIT, says:

After reading Tracy Kidder's acclaimed *Soul of a New Machine*, I thought to myself “here's a guy who spent 12 hours/day with engineers for an entire year and learned nothing about engineering, nothing about what matters to engineers, and nothing about the hearts and minds of engineers”. After reading *Microserfs*, I thought “here's a guy who seems to have spent a week with engineers and effortlessly absorbed everything that is important about engineering culture, everything that matters about working at a big company, and everything that matters about working at a start-up”. [6]

Microserfs passes this validity check, so I can start reading it as material which I can use as a student of organisation. Note that I will be quoting extensively, that’s mainly because I like Coupland’s – or rather: *Dan*’s – language.

Microserfs

Microserfs is written as if it’s Dan’s diary – or, following my reading it as ethnography: it *is* Dan’s diary, it’s his account of his and his friends’ lives. This is how Dan introduces himself, and how he articulates the reason why he writes his diary:

I am danielu@microsoft. If my life was a game of *Jeopardy!* my seven dream categories would be:

- Tandy products
- Trash TV of the late ‘70s and early ‘80s
- The history of Apple

- Career anxieties
- Tabloids
- Plant life of the Pacific Northwest
- Jell-O 1-2-3

I am a tester – a bug checker in Building Seven. I worked my way up the ladder from Product Support Services (PSS) where I spent six months in phone purgatory in 1991 helping little old ladies format their Christmas mailing lists on Microsoft Works.

Like most Microsoft employees, I consider myself too well adjusted to be working here, even though I am 26 and my universe consists of home, Microsoft, and Costco. [4:p.3]

Lately, I've been unable to sleep. That's why I've begun writing this journal late at night, to try to see the patterns in my life. From this I hope to establish what my problem is – and then, hopefully, solve it. I'm trying to feel more well adjusted than I really am, which is, I guess, the human condition. My life is lived day to day, one line of bug free code at a time. [4:p.4]

Dan identifies himself as somebody using email and working at Microsoft. Also, Dan seems to be fond of lists – he introduces the other persons with similar lists – and, throughout his diary there are over forty lists, e.g. of the contents of Microsoft's campus: "38% Kentucky bluegrass, 19% human beings, 003% Bill, 8% Douglas and balsam fir, 7% Western red cedar, 5% hemlock and 23% other". Furthermore, Dan considers himself a workaholic and wants to solve that. Later on, he says: "I'm trying to debug myself" [4:p.177]. I associate his list-making and problem-solving style with an engineering style – which is not unfamiliar to me, having received an engineering education: I like making lists, I like inventing and proposing solutions.

Dan lives together with his co-workers/friends:

- with Susan, a "real coding machine", who takes an "intellectual pride in putting out a good product – and making money" [4:p.9];
- with Abe, the introvert, in-house millionaire – "How to have millions of dollars and not let it affect your life in any way" [4:p.10];
- with Todd, brought up by "psychotically religious parents" and now a fanatical bodybuilder – "Your body is your temple" [4:p.11];
- with Bug, "The World's Most Bitter Man" [4:p.12] who's 31 already and feels senior and works hard, but is not recognized for that, and frustrated by that;
- and with Michael, "probably the closest I'll ever come to knowing someone who lives in a mystical state" [4:p.13].

Identity

I will explore the argument that people who do R&D, implicitly or explicitly, reinvent themselves. This is especially true for the early phases of innovation, the *fuzzy front-end*, in which people deal with ideas, and not yet with materials – many operational practicalities are outside the process. And dealing with ideas is implicitly or explicitly related to one's view on people and on the world. The company *Oop!*, which Dan and the others start-up, after they quit their jobs at Microsoft, is an example of an "R&D company" [4:p.117].

A little further down the street lives Karen, who also works at Microsoft. Their offices are next to each other, but they never talked – until they accidentally meet in the woods on the campus. They fall in love and become lovers. These are Dan's diary entries of their first encounters:

She said that we, as humans, bear the burden of having to be every animal in the world rolled into one.

She said that we really have no identity of our own.

She said, "What is human behaviour, except trying to prove that we're not animals?"

She said, “I think we have strayed so far away from our animal origins that we are bent on creating a new, supra-animal identity.”

She said, “What are computers but the EveryAnimalMachine?” [4:p.17]

She then said to me:, “Dan, I have a question about identity for you. Here it is: What is the one thing more than any other thing that makes one person different from another person?”

I got all ready to blurt out an answer but then nothing came out of my mouth.

The question seemed so obvious to start with, but when I thought about it, I realized how difficult it is – and sort of depressing, because there’s really not very much that distinguishes anyone from anyone else. I mean, what makes one mallard duck different from another mallard duck? What makes one grizzly bear different from any other grizzly bear? Identity is so tenuous – based on so little, when you really consider it.

“Their personality?” I lamely replied. “Their, uh, soul?”

“Maybe, I think I’m beginning to believe the soul theory, myself. [4:p.32]

This is the start of a continuous dialogue between Dan and Karen which runs throughout the story, and which is central to Dan’s search for identity, and to the story in general – a dialogue about identity, and, related to that, meaning and purpose of their work of creating software.

Dan, Todd, Susan, Bug, Michael and Abe are exploring and developing their identities – and they do that very differently – of course, because it’s about identities:

- Susan and Abe *work* passionately in order to create identities for themselves – interestingly, they’re the only two with Microsoft stocks and money;
- Todd fanatically manipulates his *body*, because that’s the one thing of his identity which he can manipulate;
- Michael’s obsessed by his *dreams* of creating software, and using technology is part of his search for identity;
- Dan and Karen explore their bodies and they discuss identity, meaning and purpose at length – often Karen invites Dan for this search;
- Bug nicely re-invents himself, he discovers he’s gay and learns to deal with that, and helps the others with their search for identity as well.

In this paper I will not go into theories about identity, but I can briefly mention that some scholars distinguish between human, social and personal identities. In the paper you may notice that Karen and Michael are concerned mainly with the *human* identity, that Todd and Bug are searching to get away from their *social* identities into *personal* identities, that Susan and Abe are busy with her *social* identity, and that Karen invites Dan to explore his *personal* identity.

Dan and the others also playfully explore and discuss their identities, e.g. when they invent titles for their business cards, e.g. Bug “Information Leafblower”, Todd “Personal Trainer”, Karla “Who can turn the world on with a smile?”, Susan “Her name is Rio”, Dan “Crew Chief” and Michael “You’re soaking in it” [4:p.173], or when Susan thinks-up Star Trek characters for all of them [4:p.262].

In the next sections I will explore the themes of work, body and dreams as different ways to search for identity in relation to doing R&D.

Work

Dan and the others often talk about “having a life”, and for them work life and private life are intertwined to such extent, that when they search for identities, they do so in their work as well as in their private lives. Or maybe they don’t have private lives, because all their life is work. Or the other way around: maybe they don’t have work lives, because their work is their life. Maybe they are living the “guiding values in hacker life”, passion, freedom, social worth, openness, activity, caring and creativity [8:p.139-141]: working hard out of a passion and experiencing freedom in your work while working hard.

Anyway, searching for identity, or experiencing being an creative individual is hard within high-tech organisations. Maybe that's because of a repressive organisational culture, even – or: *especially?* – if the organisation is known as creative [11], or because of problematic relations between creative people and marketing or management. Here are some of Dan's notes:

I think everyone hates and dreads Marketing's meeting because of how these meetings alter your personality. At meetings you have to explain what you've accomplished, so naturally you fluff up your work a bit, like pillows on a couch. You end up becoming this perky, gung-ho version of yourself that you know is just revolting. [4:p.25]

My only problem with Shaw [his manager] is that he became a manager and stopped coding. Being a manager is all hand-holding and paperwork – not creative at all. Respect is based on how much of a techie you are and how much coding you do. [4:p.33]

It seems like searching for identity is difficult within *all* high-tech organisations: within Microsoft, or within Intel, but also within Apple, and even within *Oop!*:

[About people at Intel:] They're like Borgs," says Susan, "They have one mind. [...] You get the feeling there's a sub-audible tape playing, that says, *resistance is futile ... you WILL assimilate ...*" And then Susan got thoughtful and said, "The more I think about it, it's actually like Microsoft. In fact all huge tech firms are like Microsoft. [4:p.136]

Dan used to believe that Apple is different from all other organisations, but when he talks with an ex-Apple worker, he finds out that "*Apple is Microsoft!!!*" [4:p.121]. They make a list of Microsoft vs. Apple, and all items are similar or the same, e.g.: both have an "eerie, *Logan's Run*-like atmosphere", and people have "wacky titles on business cards" in both [4:p.121-2]. And working at *Oop!* turns out to be similar to working at Microsoft, even the leader/tyrant role of Bill at Microsoft finds an equivalent in Michael: "Michael is now Bill!" [4:p.248].

Working passionately as a search for identity is especially the case for Susan and Abe, who loose themselves in their work. But do they create an identity in loosing themselves, or do they loose their identity in the way they work?

Abe stays at Microsoft, and only joins the others several months after the start-up. During that period, Dan and Abe email often and intimately. Dan thinks that their "e-mail correspondence has given us an intimacy that face-to-face contact never would have. Irony!" [4:p.210]. Here's what Abe says about "having a life":

I suppose there's nothing wrong with my not having a life. So many people no longer have lives that you raeally have to wonder if some new mode of existence is being created which is going to become so huge that it is no longer on the moral scale – simply the way people ARE. Myaby thinking you're supposed to "have a life" is a stupid way of buying into an untenable 1950s narrative of what life is *supposed* to be. [4: pp. 185-6]

The moment Abe joins the others at *Oop!*, feels like he's found an identity for himself. Here's when Abe enters *Oop!*'s office:

He scanned the room further, seemingly unfazed by its colorful shock value, and pulled a plump-looking Costco bag out from underneath his armpit. "Oh, hell, Michael... I brought you some cheese slices to help us through the all-nighters. Now, please tell me, just where is *my* space going to be?" [4:p.313]

Susan also works with a passion. Interestingly, she seizes all kind of work-related occasions as chances to reinvent herself. Here's her account of why she moved to Microsoft:

[Susan:] I wanted to go to a place where loyalty wasn't an issue. *Ha!* I wanted to not have a life because life back East sucked big time. So I made the choice to come up here – we all made the choice to come here. Nobody was holding a carbine up to our temples. So us crabbing about our zero-life factor isn't up for debate really. Yet do you remember, Dan – do you remember ever *having* a life? Ever? What is a life? I think I once had one – or at least dreamed of having one – and now with going to *Oop!*, I kind of feel like I have a hope of life again. [4:p.92]

When Susan's Microsoft shares are converted into cash, she throws a party, and this is for her another occasion to try to reinvent herself:

Susan quit the day after she vested and began “running with the wolves” – or so she announced to all of us the morning after her Vest Fest. She unveiled her new image [...]

Susan's previous image – Patagonia-wearing Northwest good girl – had been shed away for a radicalized look: bent shades, striped Fortrel too-tight top, Angela Bowie hairdo, dirty suede vest, flares, and Adidas. [4:p.62]

Later on, when working at *Oop!*, Susan tries again to reinvent herself again when she starts the feminist-coders movement, *Chyx* – that gives her the opportunity to invent a special members-only bracelet and a special handshake, and gives her media coverage on CNN.

Can we say whether Abe or Susan are successful in their search for identity – or whether you can say such a thing at all? I don't know, but it looks like their work and their search for identity are intimately related. Concerning the search for identity within high-tech organisations, I think the *Microserfs* story is similar to Kunda's story of “engineering culture”. In Kunda's story “self and organization” are played out against each other – individuality and creativity are subdued and even destroyed within the high-tech organisation which he studied [11].

Body

In this section I to draw attention to how people relate to their body, and explore how that is key to exploring or developing an identity, and how that is problematic in the high-tech sector, because there the body seems not to exist. Here are some of Dan's observations about his body:

I don't even do many sports anymore and my relationship with my body as gone all weird. I used to play soccer three times a week and now I feel like a boss in charge of an underachiever. I feel like my body is a station wagon in which I drive my brain around, like a suburban mother taking the kids to hockey practice. [4:p.4]

Soon after they become lovers, Karen teaches Dan shiatsu, and they have daily sessions of massage. They even develop a thesis of how your body stores memories, and they experience shiatsu as a way of taking care – or rather: *caring* – for those memories. Dan mentions his shiatsu experiences, to Abe in an email, and his idea of “the weird relationship people in tech firms can have with their bodies” [4:p.198]. Here's Abe's reply:

I know what you mean about bodies. At Microsoft you pretend bodies don't exist... BRAINS are what matter. You're right, at Microsoft bodies get down played to near invisibility with unsual Tommy Hilfiger geekwear, or are genericized with items from the GAP so that employees morph themselves into those international symbols for MAN and WOMAN you see at airports. [4: p. 198]

Later on, Dan and the others observe that all of them are wearing Gap's clothes, and that they use these as a way of not-having bodies or identities:

It turned out that *three* of us visited the Gap independently of each other today, and when we found out, we got spooked, and we analyzed the Gap, trying to make ourselves feel better about our vague mood of consumer fictimization. [4:p.268]

I shouted "*Gap check!*" and everyone in the office had to guiltily 'fess up the number of Gap garments currently being worn. Karla, the only Gap-free soul, for the remainder of the day wore the smug, victorious grin of one who has escaped the hungry jaw of bar-code industrialisation" [4:p.270]

The exception is Todd: he certainly *has* a relation to his body, he's an extreme case, he's a fanatical bodybuilder. So when Dan wants to ask a question about the body, Todd's the one he's turning to:

I asked Todd, "Shit, Todd – what is it exactly you want your body to *do* for you? What is it your body's not doing for you now that it's going to do for you at some future date?" Not really Todd's sort of question.

[Todd:] "I think I want to have sex using a new body which allows me to not have to remember my ultrareligious family." Todd mulled this over. We looked around the apartment, strewn with hex dumbbells and rubber flooring mats. "My body was just something I could believe in because there was nothing else around." [4:p.244]

Not only Todd, but all of them struggle or struggled with their bodies:

- Karla suffered from anorexia – "I went through a phase where I wanted to be a machine" [4:p.72];
- Susan's continuously trying to be sexually attractive to men;
- Michael believes he's is ugly – "*Look* at me, Daniel – how could anyone be in love with *me?*" [4:p.324];
- Dan's experiencing a weird and frustrating relationship to his body;
- Bug's discovering his homosexuality when they move to Silicon Valley to start-up *Oop!* – he has to create a new identity, and learn to dress better.

Dreams

In this section I draw attention to how people relate to their dreams, and explore how that relates to exploring or developing an identity, and how that is problematic in organisations in which only certain dreams are allowed.

Michael is extreme concerning the relation to dreams. He lives in a dream world of software code, "he lives to assemble elegant streams of code instructions" [4:p.13]. He creates software for digital, virtual Lego with which he wants to build digital, virtual dream worlds. Dan and Karen decide to join Michael's dream, and his start-up *Oop!* because

you *do* get a chance to be "One-Point-Oh." To be the *first* to do the *first* version of something. [...] I get this little feeling that we can all of us speed up the dream, dream in color, dream in volume, and dream together down south We can, and *will*, fabricate the waking dream. [4:p.89]

Michael dreams about getting "to the *the other side*" – this is his reply to Dan's question what he wants for his 25th birthday next week:

>Bi rthday

I want one of those keys you win in video games, that allows you to blast through walls and reach the next level – to get to *the other side*. [4: p. 149]

Michael points out that thinking in terms of generations, in terms of progress is typical human:

“Bears, for example, certainly don’t have generations. Mom and Dad bears don’t expect their offspring to eat different kinds of berries and hibernate in a different beat. The belief that tomorrow is a different place from today is certainly a unique hallmark to our species. [4:p.242]

Karen also dreams, she dreams about what it means to be human. This is what she says to Todd when he’s asking questions about the purpose of developing software:

“Todd: you exist not only as a member of a family or a company or a country, but as a member of a *species* – you are human. You are part of *humanity*. Our species currently has major problems and we’re trying to dream our way out of these problems and we’re using computers to do it. [...] What you perceive of as a vacuum is an earthly paradise – the freedom to, quite literally, line-by-line, prevent humanity from going nonlinear.” [4:pp.60-61]

Such dreams about progress can be traced back to Francis Bacon’s idea of progress through science and technology [1]. This idea is echoed in the obsession with *new*. At a tradeshow Dan observes how “everybody keeps on asking, “*Have you seen anything new? Have you seen anything new?*” It’s like the mantra of the CES [trade show]” [4:p.356].

But the idea of progress doesn’t only refer to the future. Many utopian dreams refer also to the past. In a way, progress can be understood as nostalgia. This is obvious in the way that Dan and the others create their digital, virtual Lego as an attempt to re-experience childhood:

When I was young, if I built a house out of Lego, the house had to be all in one color . I used to play Lego with Ian Ball who lived up the street, back in Bellingham. He used to make his house out of whatever color brick he happened to grab. Can you imagine the sort of code someone like that could write?” [4:p.76]

So what they say about and do with Lego, is what they say about and do with software, is the same. Abe even argues that Lego and computers are, philosophically speaking, the same:

“First, Lego is ontologically not unlike computers. This is to say that a computer by itself is, well... nothing. [...] Second, Lego is ‘binary’ – a yes/no structure; that is to say, the little nobblies atop any given Lego block are either connected to another unit of Lego or they are not. Analog relationships do not exist. [...] Third, Lego anticipates a future of pixilated ideas. It is digital.” [4:82]

Developing technology can thus be understood as a weird mix of progress and nostalgia. Furthermore, based also on my experience of R&D work, it looks like high-tech organisations stimulate especially these utopian dreams, it looks like only these dreams are allowed. And these dreams are used instrumentally. Dan and the others seem eager, or disciplined, to follow someone else’s dreams, either Bill’s, or Michael’s. Michael leverages their dreams and creativity, e.g. when he makes each of them design an *Oop!* starter module, resulting in weird combinations of their own dreams and Michael’s dream: Todd’s designing a Muscle man, Susan a dancing skeleton, Karla a vegetable factory, and Dan a space station [4:p.241].

Conclusion

Based on my reading of *Microserfs*, a story about people doing R&D, I asked the question what R&D is *about*. I found the following answers:

- Doing R&D is about searching for identity, when people explore and develop innovative products or services, they are also exploring and developing who they are, what they do and why they do that – they’re reinventing themselves;

- How one relates to one's body and to one's dreams are key elements of such a search for identity;
- And searching for identity is problematic within high-tech organisations, especially because there the body seems not to exist, and only certain, utopian, dreams are allowed.

This raises some new questions: If R&D is about searching for identity, and if that is hard within a high-tech organisation, than what does that mean for the organisation of R&D within a high-tech organisation? Can we organize R&D? And if so, how can we organize it? There's lots of literature concerning such questions, and lots of recommendations to stimulate creativity and autonomy, e.g. by organizing – or rather: *not*-organizing – skunk works, autonomous teams and the like. Are these ways to give people the opportunity to both explore and develop innovative products or services *and* to explore and develop their identities?

People and technology

What does searching for identity, and struggling with bodies and dreams have to do with creating software or technology? In my reading of *Microserfs* I drew attention to what *people* do, to typical human activities like searching for identity, meaning and purpose, having bodies and having dreams – rather than focusing on software or technology.

In order to join the debate about people and technology, I will first turn to Lewis Mumford, who wrote extensively about technology (or *technics*, the word he uses). Mumford is associated with the first, humanistic position. The idea of R&D as a search for identity is compatible to Mumford's thesis that man is primarily a *symbol*-maker, rather than the dominant idea of man as a *tool*-maker. Mumford interprets findings from historians, anthropologists and sociologists who studied early man and, based on that, argues that

man is pre-eminently a mind-making, self-mastering, and self-designing animal; and the primary locus of all his activities lies first in his own organism, and in the social organization through which it finds fuller expression. Until man had made something of himself he could make little of the world around him.

In this process of self-discovery and self-transformation, tools, in the narrow sense, served well as subsidiary instruments, but not as the main operative agent in man's development; for technics has never till our own age dissociated itself from the larger cultural whole in which man, as man, has always functioned. [14:p.9]

Mumford goes on to explain where our distorted view on man, as a tool-maker, comes from:

Modern man had formed a curiously distorted picture of himself, by interpreting his early history in terms of his present interest in making machines and conquering nature. And then in turn he has justified his present concerns by calling his prehistoric self a tool-making animal, and assuming that the material instruments of production dominated all his other activities. As long as the paleoanthropologist regarded material objects – mainly bones and stones – as the only scientifically admissible evidence of early man's activities, nothing could be done to alter this stereotype. [14:p.14]

If the only clue to Shakespeare's achievement as a dramatist were his cradle, an Elizabethan mug, his lower jaw, and a few rotted planks from the Globe Theatre, one could not even dimly imagine the subject matter of his plays, still less guess in one's wildest moments what poet he was. [14:p.23]

Interestingly, Mumford theorizes explicitly about body and dreams, how people learned to use and control their bodies and their dreams, and learned to use shared symbols, language and rituals, and how that cultural framework is – or: *should be* – the basis for creating technology:

[Early man] possessed at the beginning one primary, all-purpose tool, more important than any later assemblage: his own mind-activated *body* [italics added – MS], every part of it, including those members that made clubs, hand-axes or wooden spears. [...]

Through man's overdeveloped and incessantly active brain, he had more mental energy to tap than he needed for survival at a purely animal level; and he was accordingly under the necessity of canalizing that energy, not just into food-getting and sexual reproduction, but into modes of living that would convert this energy more directly and constructively into appropriate cultural – that is, symbolic, forms. Only by creating cultural outlets could he tap and control and fully utilize his own nature. [14:pp.6-7]

All through history, man has been both instructed and frightened by his *dreams* [italics added – MS]. And he had good reason for both reactions: his inner world must often have been far more threatening and far less comprehensible than his outer world, as indeed it still is; and his first task was not to shape tools for controlling the environment, but to shape instruments even more powerful and compelling in order to control himself, above all, his unconsciousness. The invention and perfection of these instruments – rituals, symbols, words, images, standard modes of behavior (mores) – was [...] the principal occupation of early man, more necessary to survival than tool-making, and far more essential to his later development. [14:p.51]

Mumford argues for putting limitations on technology for the sake of humanity. From a similar position, Langdon Winner, a contemporary philosopher of technology, observes that in the currently dominant school of science and technology studies – a social constructivist position – there is “an almost total disregard for the social consequences of technical choice [... for what technology] means for people's sense of self, for the texture of human communities, for qualities of everyday living, and for the broader distribution of power in society” [21:p.368]. He advocates to put limits on technology [20], and to turn to Mumford: “With Mumford, there is always an underlying hope that the abstract, mechanic obsession of the modern age would be replaced by a more humane, organic sense of technical possibilities.” [21:p.375]

I may explore – not in this paper, but in future studies – whether or how Mumford's or Winner's humanistic position, laden with ethics and politics, may be combined with a social constructivist position. I may start such exploration with Steve Woolgar's ‘semiotic approach’: his idea that researchers and developers “configure the user” [22]: they create products and services, and, in doing that, they make assumptions about the world and about what people (should) do. I will then take into account that “configuration is a one-way process: designers, in turn, are configured, by both users and their own organisations” [13]. Maybe Mumford's and Woolgar's theses can be thought of as distant cousins: they both draw attention to how creating and using of technology can be thought of as symbolic activities – as seeking and creating meaning.

My study

I guess my study of R&D is also a search for identity. I am trying to position myself as someone who's critical about technology, who trying to make a difference. My study of R&D is a mix of doing R&D and observing R&D. And there's my engineering style, my eagerness to invent solutions – sometimes without proper diagnosis. I will *research* how people do R&D and try to *develop* alternative ways of doing R&D – can I call that re-R&D, is that a nice identity?

And what about struggling with body and with dreams? If I let loose my eagerness to invent, I can think of two ways to involve my and my colleagues' body and dreams in doing R&D:

- Researchers or developers sometimes apply empathic design or participatory design methods [17], they study how people/end-users use products or services in the field, or conduct workshops in which people/end-users participate in developing or evaluating innovations. I propose that in such settings, researchers or developers can *engage their bodies* more, e.g. through ‘shadowing’, following someone through his/her daily life, or through ‘body storming’, enacting scenes which they observed [9]. This would result in a better diagnosis

because it is done from an person's, embodied perspective, and the resulting ideas would be more realistic in the sense that they would better fit people's daily, embodied lives;

- Researchers or developers sometimes construct *storylines*, these are fictional narratives which illustrate how people/end-users may use the product or service they are developing or evaluating in their daily lives, and steer the development of a product or service. Storylines are like dreams that may happen. *And* they are often full of ideologies about people and the world, [18]. I propose that when they use storylines, that they try to *control their dreams*, to critically reflect on their dreams and ideologies, and, if they feel uneasy with what they find, to think of alternatives. Then, the storylines, and resulting products or services, would be based on a better "understanding of the place of technology in human affairs" [21:p.364].

In such a scheme, researchers or developers would engage their bodies and control their dreams (the humanist, second position), which would function as a counterbalance to the *technology push* (dominant, first position). It sounds like setting limits on technology, like Mumford or Winner advocate, but my scheme directly aims to influence what researchers or developers do: how they do R&D. I guess that's my way of trying to help myself and others to explore and to develop identities in doing R&D in a certain way.

Talking about limits seems opposite to the conference's theme of excess. But I *am* talking about excess when I talk about the possibilities that people have to explore and develop identities, to seek and create meaning, to experiencing their bodies and dreams. Researchers and developers are curious people, and I hope that they are curious also to find out who they are, what they are doing, and why they are doing that. Or, like Dan puts it:

How do we ever know what beauty lies inside of people, and the strange ways this world works to lure that beauty outward? [4:p.220]

Let's give Bug, often quiet, and an example of nicely reinventing himself, the last words:

"I used to care about how other people thought I led my life. [...] It starts out young – you try not to be different just to survive – you try to be just like everyone else – anonymity becomes reflexive – and then one day you wake up and you've *become* all those other people – the *others* – the something you aren't. And you wonder if you can ever be what it is you really *are*. [...] Anyway, I never talk about myself, and you guys never ask, and I've always respected that. But there comes a time when you either speak or forfeit what comes next." [4:pp.291-2]

Let's listen some more to Bug:

"I was so busy geeking out that I never had to examine my feelings about anything. I jumped into one of those little cartoon holes they use in old Merry Melodies, and I just came out the other side, and the other side is *here*. Didn't you ever wonder where the other side was?" [4:pp.317-8]

Bug's also talking about "the other side", like Michael, but Bug states that the "the other side is *here*", I take that as a hint that Bug's happy with the here and now, and I guess he's close to finding a nice identity for himself. Bug's not only articulating his own search for identity, but also stimulates the others to continue their search for identity:

"We're like those seeds you used to plant on top of sterile goop in Petri dishes in third grade, waiting to sprout or explode. Susan's exploding. Todd's going to explode. Karla's germinating gently. Michael's altering too. It's like we're all seeds just waiting to grow into trees or orchids or houseplants. You never know. It was too sterile up north. I didn't sprout. Aren't you curious to know what you really are, Dan?" [4:pp.193-4]

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**Managerialism at work: a case study of buckets,
bureaucrats and bullying.**

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Abstract

Notions of excess are always related to context, for too much of anything in the wrong place becomes excessive. Excess of management or management in the wrong place is a late-modern phenomenon and has been named managerialism. It involves the widespread assimilation of a management discourse – corporate language, disciplines and practice – to enable management colonization of personal and organizational domains, hitherto regarded as foreign and alien. Dominant management discourse has thrived in the context of a neo-liberal, technocratic economic environment in which governments have sought to become purchasers rather than providers of human services. Such enculturation of human services organizations by a managerialist discourse, while not new, raises an array of issues for such organizations as they struggle to balance service delivery or meeting human needs with the incongruity of competition on this corporate playing field.

Focusing upon the discursive construction of reality (Foucault, 1972; Phillips & Hardy, 2002) this study problematizes and interrogates managerialist discourse, and specifically examines how power/knowledge embedded in the historically grounded actions (including language use) of managers, constructs and reconstructs structures, practices and identities within organizations. It examines how control is exerted, how practices are shaped and agencies determined for staff and clients through the deployment of managerialist discourse within human service organizations. Through the use of this Foucauldian approach the study aims first, to highlight the ways that discursive practices, knowledges and rules are productive of embedded power relations and second to show how these are exploited by management use, resulting in the governmental control of organizational subjects and their actions.

This paper draws upon an illustrative case study that focuses on a conflict arising from an example of management excess within a government funded program for homeless children in a non-government community services organization. For the recent reform of Australian state-level treasury of funding conditions and a significant regional budget blowout, have meant that the most-marginalized, homeless children, the ones who fall through the systems cracks, so-called high cost kids, are now more than ever, a cause of major concern for the managers of homeless service programs, principally because of the costs associated with their care.

Decisions made on the basis of managerialist discourse and impacting upon the community service organization and its service users are examined and challenged, as being excessive. For the further incursion of this dominant managerialist discourse carries with it not only changed language but changing practices and structures that are re-shaping what counts for good service delivery within community service organizations. Furthermore, questions of appropriate care for the service users, themselves some of the most highly vulnerable children in the community, are contested. Excess of management is thus highlighted and made problematic in an examination of the underlying rational, abstract, managerial knowledge and principles driving its spread and prioritization.

Keywords: managerialism, governmentality, human services organizations, critical discourse analysis, homeless youth

“An interest in the discursive aspects of cultural representation draws attention not to the interpretation of cultural “texts” but to their varying relations of production” (Clifford, 1986 :13).

Introduction

Management in excess or in its ideological form has been termed managerialism (Parker, 2002). Residing within the diverse cultures and discourse of corporate free-market economics, its spread and reach extends ubiquitously throughout contemporary societies. Within organizational and personal domains, assimilation of managerialist discourse through marketing and pop management techniques can be overt, blatant, and even outrageous. On the other hand, the migration of managerialist discourse can also be implicit, tacit and discreet. Government-funded human services are one area that has adopted neo-liberal economic policies that rely upon the use of such sophisticated but subtle managerialist strategies and technologies. Their use enables public sectors which are difficult to manage and control due to irreconcilable ideologies and philosophical differences to become entrenched in managerialism.

One approach adopted to study this widespread phenomenon is to draw upon Foucauldian discourse analysis, examining the language, body of knowledge or discourse of managerialism. Following Hardy and Phillips (1998) and Parker (1992) we define discourse as “a system of texts that brings an object into being ” (Hardy & Phillips, 1998:2). Hardy and Phillips examine the broad overarching societal discourses, “which enable and constrain discursive activity within institutional fields” (1998:1). Drawing upon the work of DiMaggio and Powell (1983) they describe institutional fields as “...the social space encompassing those organizations that, in the aggregate, constitute a recognized area of institutional life” (Hardy & Phillips, 1998:4) Hardy and Phillips examine how broad societal discourses operating on the institutional field of the Canadian refugee system shapes textual representations of refugees.

Another area identifying the indirect or discreet operation and spread of the control and power of discourses is study of the use of what Foucault called governmentality (Burchell et al., 1991). Studies of governmentality have been employed in particular to examine the Third Way phenomenon and its influence within the area of human services. A variety of related areas have been studied drawing upon governmentality, including notions of community and citizenship (Barnett, 2002; Rose, 2000), governing risk in juvenile justice settings (O'Brien, 2001), clinical governance (Flynn, 2002) and use of enterprise culture in health settings (Doolin, 2002) school conduct codes and the production of docile citizens (Raby, 2005), agency and responsibility in social housing (Flint, 2004), teamworking as a technology of managerial control (Knights & McCabe, 2003) marketisation of aspects of tertiary

education (Olssen, 2002), spatial governmentality and social order (Merry, 2001).

In this paper we focus on how managerialist discourse as excess is used within the government of organizations operating human services. In particular we aim to address two questions; first, how has managerialist discourse shaped community services organizations and their practices? And second, in this context, in what ways has managerialist discourse subjugated other discourses? The paper examines the claims to rationality that are taken for granted within the managerial discourse. "By problematising taken for granted practices or technologies the aim is 'to show how this way of doing things...was capable of being accepted at a particular moment ...as an altogether self-evident and indispensable part of it' (Foucault, 1981)...the intention is to shake 'this false self-evidence, demonstrating its precariousness' with the recognition that its contingency allows for the possibility of no longer following it" (Townley, 2002:566). Taken for granted background knowledges are foregrounded through an examination of governmentality, which highlights changed regimes of truth employing new rationalities and drawing upon a variety of disciplinary technologies.

This research will draw attention to the effects on other discourses, the specific areas, practices and structures that are being progressively colonized by managerial discourse. Formerly dominated by social work perspectives and critical approaches, community services discourse is increasingly being subjugated by economic, political and accounting knowledges and technologies employed within managerialist discourse (Sykes & Treleaven, Forthcoming). For community service organizations and their work in the area of youth homelessness, discursive change impacts organizational issues and managerial decisions that directly impact upon the care and safety of very vulnerable children and young people. Clearly change in this area, although subtle and discreet, raises very significant social and ethical issues for the broader Australian community: how will the State care for its most vulnerable members? Should financial considerations be pre-eminent in such cases? Who decides and why? What are the impacts of this decision making process on families and communities and most importantly the children themselves?

The study forms part of a broader research project comparing and contrasting referral processes of young people from government departments to community organizations. In this particular section of the study, the researchers adopted an ethnographic approach (Clifford & Marcus, 1986) interviewed staff, gathered documents and attended and observed meetings concerned with referral processes. A case study was developed drawing upon these documents, highlighting three areas: first, managerialism; second, complex discourses; and then finally governmentality drawing upon Rose's (1999) work.

The study is emergent in that it arises within the practice context of one of the researchers and the illustrative case study provides a grounded narrative in which to further develop this analysis. A critical incident from the case study is constructed as a snapshot at a moment in time, and provides an interpretation

of that historical moment. It does not seek to present ‘the truth of the matter’ or ‘what *really* happened’, nor does it presume to deal with a comprehensive, all-inclusive account of the events. More modestly, it is a tale or fiction in the sense that it provides an unashamedly partial (both incomplete and subjective) interpretation of the events (Van Maanen, 1988). After presenting the critical incident drawing upon various documents a critical discourse analysis is undertaken.

The paper is structured as follows: first a review of the literature identifies and discusses managerialism and its spread, then governmentality is identified and discussed with particular reference to its relationship with managerialist discourse. Turning to the empirical study, the area of youth homelessness and the complex organizational interactions are presented, followed by analysis of a critical incident drawing upon critical discourse analysis and highlighting governmentality. Finally a discussion of the implications of the analysis are drawn and developed.

Examining managerial discourse

Critique of management and its excesses is a significant focus within critical and postmodern management studies literature (Alvesson & Willmott, 1992; Clegg & Dunkerley, 1977; Westwood & Clegg, 2003). In this vein Parker’s (2002) work provides a rather bleak, but not inappropriate, assessment of management including its contemporary trends, ideology and importantly for this research its ubiquity and power. Thus he suggests that management in its hybridized managerialist dimension “is almost everywhere nowadays. It has become one of the defining words of our time and both a cause and symptom of our brave new world. It directly employs millions, and indirectly employs almost everyone else. It is altering the language we use in our conceptions of home, work and self, and both relies on and reinforces deeply held assumptions about the necessary relationship between control and progress” (2002: 9). He concludes that managerialism is “the narrow application of management as a generalized technology, of control of everything – horses, humans, and hospitals. This is management as the universal solution, not a personal assessment of a local problem” (2002:9). Parker’s treatment of managerial excess, its apparent omnipresence, may be dismissed as acerbic or vitriolic but it may also be taken more seriously as it raises significant questions, for instance, how has managerialist discourse come to displace and subjugate other discourses? What is the source of its authority? How can this colonizing discourse and the relations of its production be examined? And finally, why and how has the broader community accepted and even embraced the spread of managerialist discourse?

Clearly, popular identification of the authority and credibility of the manager and the widespread acceptance of management forms and language in popular culture resonates with MacIntyre’s (1981) atypical, archetypal representations in the designation of the management ‘character’. MacIntyre suggests that merging of the identity and role of the manager occurs, producing ‘the character’ most representative and culturally symptomatic of this epoch. He argues that the manager works with knowledge in such a way that there is an appearance of value neutrality; the manager has a kind of

detached moral objectivity, despite dealing with highly charged evaluative decisions. MacIntyre's careful argument shows this to be merely a moral fiction. Nevertheless the colonizing continues with no respite, as forms of managerialism continue to increase.

Twenty years later Watson (2003) laments the same managerialism shaping public language. He provides a penetrating critique of what he sees as the degradation of public language by the use of abstract, detached, managerial words deployed in foreign contexts. He writes that this colonization by the language of managerialism – marketing, accounting, IT is not only aesthetically destructive of the beauty of English language but meanings of many words are blurred or lost. These overt changes of language use point to deeper more subtle cultural changes, involving changing discourse and power relations.

In an epistemological examination of managerialist discourse in the area of human resources, Townley (2002) suggests that managerialist rationality is derived from modernist assumptions. Drawing upon the work of Toulmin, she argues that such rationality, based on generation of ahistorical generalisations or truths that are applicable to any organizational context, is fundamentally flawed. Townley's Foucauldian orientation emphasizing historicity, discontinuity and the power of discourse, shows how problematising abstract management principles, disrupts a taken-for-granted, normalized but obsolete rationality. She examines how Foucault's work of suggesting, re-ordering and re-classifying dispels self-evidencies and exposes power/knowledge "that is, to indicate that although elements form part of a familiar landscape, they are not 'natural' or part of a naturally existing order.... provides an avenue to illustrate how established ways of ordering limit our analysis, and it also introduces different ways of seeing" (Townley, 1993:519). She concludes that management and its practices need to be historically grounded, embodied and embedded.

Power and knowledge, according to Foucault, are mutually constitutive. Not only is knowledge the effect of a particular regime of power but forms of knowledge also produce the social realities which they describe and analyse (McNay, 1992:27). Thus, rather than power being an object or a resource, which some people, such as managers, possess and others do not, Foucault sees power (1983) as pervasive in everyday life, embedded in our language (what we think and what we say) and practices (what we do). The micro-processes of power are exercised through its effects on people's actions: "what defines a relationship of power is that it is a mode of action which does not act directly and immediately on others. Instead it acts upon their actions: an action upon an action, on existing actions or on those which may arise in the present or the future" (Foucault, 1983:220). In the Foucauldian sense, power is diffuse and ubiquitous, shaping what we see and how we come to know the world. Further elaboration of how power/knowledge works and spreads discursively through government and actions was the subject of what Foucault called "governmentality" or the "conduct of conduct".

Governmentality

A further detailed analysis of the workings of governmentality enables clearer understanding of the complex ways in which control is exerted through power/knowledge relationships: the subtle and complex relationships that exist between discourses, social structures and subjects within managerialist discourse. Use of such governmental strategies following Foucault, (Foucault's last two years lectures focused on the government of oneself and of others) is particularly associated with research into various recent attempts at understanding "contemporary neo-liberal forms of governance – premised on the active consent and subjugation of subjects, rather than their oppression, domination or external control" (Clegg et al., 2002:1).

Various technologies are employed to foster what has been called the paradoxical relationship of simultaneous "empowerment and manipulation" (Hodgson, 2001). "Control is exercised through the management of freedom, or self regulation. An emphasis upon power as a mode of action which serves to act upon the actions of others reveals a mode of government which utilizes practices and relations which link the subjectivity of subjects to their own subjection." (Barnett, 2002:314). So for example, Barnett suggests that neo-liberal appeals to the widely held community notion of responsible citizenship, enable the control of citizens by aligning the subjectivity of being a free, responsible individual with a sense of obligation and duty to the state or community. Several dimensions have been identified as forming or contributing to the governmental process or the various and diverse apparatus constructively employed in the service of governmentality. Rationalities, regimes of truth, technologies and disciplining processes are combined to shape the subjectivity of the self and thus provide an internally driven self-control mechanism.

Regimes of truth

Governmentality identifies and examines what Rose calls *regimes of truth* through questions such as:

How did it become possible to make truths about persons, their conduct, the means of action upon this and the reasons for such action? How did it become possible to make these truths in these ways and in this geographical, temporal and existential space? How were these truths enacted and by whom, in what torsions and tensions with other truths, through what contests, struggles, alliances, bribes, blackmails, promises and threats? What relations of seduction, domination, subordination, allegiance and distinction were thus made possible? (Rose, 1999:19)

Regimes of truth involve constructed, authoritative, legitimized, normalized, knowledge systems, immanent to certain discourses, they exert control or constitute the "discursive order" (Fairclough, 1992), whether moral, scientific, social or economic. Studies of governmentality provide an examination of the creation and development of these specific, authoritative truth systems or what Rose calls "contingent lash-ups of truth" (Rose, 1999:27). He suggests for instance that Margaret Thatcher did not start out with a complete neo-liberal philosophy or truth regime but that this was developed contingently and responsively through linkages between Hayek's theory, political expediency,

economic constraints, balancing social milieu and policy, international agenda's and trends. Rose suggests government (or in this case management) continually seeks to "give itself a form of truth –establish a kind of ethical base for its actions" (1999:25). Naturally these ethical bases are appropriated as being more or less rational and therefore normalized and accepted as common sense.

Disciplining processes

Regimes of truth operate practically through various disciplining processes as truths and rationalities are deployed to achieve various agendas and purposes. Rose shows how discipline can be achieved through shaping the subjectivity of individuals, rendering them docile through the implementation of authoritative and pervasive self-knowledge processes or technologies of the self (Rose, 1998). Links are made through what he describes as "...a complex set of strategies, utilizing and encouraging the positive knowledges of economy, sociality and the moral order, and harnessing already existing micro-fields of power in order to link their governmental objectives with activities far distant in space and time" (Rose, 1999:18). Government of individuals is thus achieved from a distance by an internalized disciplining process drawing upon a variety of heterogeneous knowledges and truths, which are "lashed together" in a more or less rational process. He describes this as "... the complex of notions, calculations, strategies and tactics through which diverse authorities – political, military, economic, theological, medical, and so forth have sought to act upon the lives and conducts of each and all, in order to avert evils and achieve such desirable states as health, happiness, wealth and tranquillity" (Rose, 1998:152).

Technologies of government

In order to achieve these governmental agendas various technologies of government are employed. Rose and Miller describe these as

...the humble and mundane mechanisms by which authorities seek to instantiate government: techniques of notation, computation and calculation; procedures of examination and assessment; the invention of devices such as surveys and presentational forms such as tables; the standardisation of systems for training and the inculcation of habits; the inauguration of professional specialisms and vocabularies; building designs and architectural forms – the list is heterogenous and in principle unlimited (Rose & Miller, 1991:13)

This heterogeneity includes collective or social technologies: meetings, communities, neighbourhoods, networks etc and individual technologies or technologies of the self "self-steering mechanisms"; "the conduct of one's relation with oneself, for example requiring one to relate to oneself epistemologically (know yourself) despotically (master yourself), or in other ways (care for yourself). They are embodied in particular technical practices (confession, diary writing, group discussion, the twelve step program of Alcoholics Anonymous)" (Rose, 1998:29).

The study: community services for homeless young people

Care and protection of homeless children and young people is an institutional field (DiMaggio & Powell, 1983; Hardy & Phillips, 1998) involving various government and non-government organizations and shaped by multiple, complex social and structural issues and causes at the societal level (homelessness, domestic violence, poverty, unemployment etc). Various competing interpretations of the social issues, are produced discursively to achieve diverse purposes and ends which in turn produce different representations of homeless young people (Foucault, 1984; Phillips & Hardy, 2002). For example, homeless young people are alternatively represented on the one hand as delinquent, anti-social and rebellious, to raise community contempt or on the other hand they can be represented as 'poor, children living on the streets' in an attempt to raise public sympathies (Scrutton, 1997).

Legal responsibility for the care of homeless children and young people is divested to the Ministry of Family Services. Mandated by child protection legislation, the department draws upon various legal, social work, and more recently, neo-liberal enterprise discourses. In this era of the post-welfare state (Jamrozic, 2001) the department describes itself as a '*service purchaser not a service provider*'. Consequently, the department now out-sources service delivery to a range of government-funded community services organizations who are constituted as *service providers* delivering *purchased services* or programs. This case study is grounded in a specific critical incident that enables us to show the relations of production in a particular conflict between the *Central Youth Services (CYS) and the Ministry of Family Services (MOFS).

Research methodology

The data analysis was undertaken by initially reviewing the documents and then by subjecting them to critical discourse analysis (Phillips & Hardy, 2002). Critical discourse analysis, as it is employed here drawing on Fairclough (1995), is a means of foregrounding for examination the taken-for-granted factors (historical, social, cultural, educational and political) that shape the language people use. Accordingly, our discourse analysis is not only concerned with the content of these empirical materials as texts but also the history and contexts that surround their production, dissemination and reception, thereby constructing different contextual 'realities' (Phillips and Hardy, 2002). This approach, moving iteratively between both context and text (Fairclough, 1992), is distinguished by Phillips and Ravasi (1998) from both social linguistic analysis (Mauws, 2000; O'Connor, 1995) and critical linguistic analysis (van Dijk, 1993; Wetherell & Potter, 1992) each of which focus more detailed linguistic attention on text. The empirical study in this chapter, with its understandings of power drawn from Foucault, is also distinguishable from other critical theory (employed by Lawrence, Phillips and Hardy, (1999) or cognitive orientations (Van Dijk, 2003).

Critical discourse analysis has been increasingly employed to engage usefully with rich, complex data and its representation of far more complex everyday lives in organizations (Ainsworth & Hardy, 2004; Hardy & Palmer, 1998; Knights, 2002; Townley, 1993; Treleaven, 2004; Treleaven & Sykes, Forthcoming). Thus the researchers' purpose here in making such a

discourse analysis was to go 'beyond the text', to foreground the conditions shaping the production of the communications over the 'actual' or 'realist tales' (Van Maanen, 1988) that were then placed in the background.

A highly iterative process of moving back and forth between the transcripts and analysis was undertaken, independently and in discussion, by the two researchers. A first order macroanalysis therefore employed Foucauldian concepts and related deconstructive strategies for critically reading the research data to identify the dominant and competing discourses. For the second order analysis, one of the researchers, brought 'insider knowledge' (Adler & Adler, 1987; Clifford & Marcus, 1986) to the empirical study. This knowledge, though partial of course, contextualized the research data both historically and in terms of local meanings, and required reflexivity in terms of how he 'read' the data.

According to Wodak and Meyer (2001), "critical discourse analysis may be defined as fundamentally concerned with analysing opaque as well as transparent structural relationships of dominance, discrimination, power and control as manifested in language. In other words, critical discourse analysis aims to investigate critically social inequality as it is expressed, signalled, constituted, legitimized and so on by language use (or in discourse)" (2001: 2). They go on to say that in distinction to other approaches to discourse analysis critical discourse analysis is not only concerned with language but also addresses the ways that such texts are produced and consumed in the context of complex social structures and practices. Such approaches are useful for a study of governmentality for Rose (1999) suggests that governmentality is "Concerned not so much with the standard critical questions such as: who did what, with what effects and why? Rather, "what various authorities wanted to happen, in relation to what problems defined how, in pursuit of what objectives, through what strategies and techniques?" (1999:20).

Reading the data

Using critical discourse analysis of rich symptomatic texts, the complex discursive relationship of *service purchaser* and *service provider*, within the organizational management and practices is foregrounded. We show how this complex system draws upon various bodies of knowledge and rationalities, and in particular how the client-focused discourse, enmeshed in a web of power relations, is subjugated by managerialist discourse in the course of the disputed case. The discussion that follows highlights how governmentality operating through regimes of truth, technologies and disciplining processes realizes the subtle pervasion of managerialist discourse.

A service provider: CYS

CYS is one Australian community services organization providing a comprehensive range of services for homeless youth and their families. The organization is managed using a community board model that relies upon community members volunteering their services for board responsibilities; a management team is employed and supervises over forty paid staff and many volunteers; multiple state and federal departments fund it. The senior

manager is regarded as a leading expert in the area of youth homelessness. Her knowledge of the area of youth homelessness and related issues, as well as her wide organizational knowledge are well recognized having participated on a number of national youth homelessness bodies. After many years of development, CYS has established a reputation as a provider of excellent youth and children's services and is widely regarded as a 'best practice' organization in this field.

Despite being the site of multiple and competing discourses, the dominance of a client focus discourse is evident from an examination of various organizational artefacts such as annual reports, policies and procedure manuals as well as organizational structures, processes and actions within CYS. The main aim of the organization is stated explicitly in the annual report *To provide support and assistance to young people who are disadvantaged, homeless, or at risk of becoming homeless, and their families...* (CYS Annual Report 2003–2004).

Examination of CYS policy documents highlights *that the service be a therapeutic, nurturing environment drawing upon various mechanisms and techniques: the rights of all young people are respected by the public display, dissemination and practice of the National Youth Coalition, Charter of Rights throughout the service; meetings are inclusive of young people including the annual general meeting; stringent, annual feedback mechanisms provide 'a voice' for young people on programs and staff (formal, internally developed feedback documents completed by the young people are sent to the funding bodies annually); use of simple language in communication – including liberal use of 'clients vernacular' by staff. Consequently, at face value 'client-focused' accurately portrays the nature of the dominant organizational discourse.*

A service purchaser: MOFS

MOFS is a large and complex government department influenced by multiple discourses at societal levels, though a comprehensive analysis of this complexity is beyond the scope of this study. A scan of their web-site presents a picture of a huge department operating in various areas such as foster care, child care services, child protection, disaster care and services for young people it has *... a total budget of \$852.7 million during 2003/04. Increases to the budget mean that ...an additional \$1.2 billion into the child protection system over the five financial years from 2003/04 to 2007/08 (MOFS Web-site: visited 15/5/05).*

However, far from suggesting MOFS presents an overt managerial discourse, the Web-site and other documents present a dominant client-focused discourse. *We work to promote the safety and well-being of children and young people and to build stronger families and communities. In particular, we help those who are vulnerable and most in need. MOFS helps children, young people and families across a continuum of care. Our core work focuses on child protection, starting with early intervention strategies ((Web-site: visited 15/5/05)*

This is particularly evident in the web-site description of the State Care of Children Program (SCCP) program...*Because the provision of out of home care is a shared responsibility between MOFS and the non-government sector and because of the high and sometimes urgent needs of clients, MOFS requires funded services to be flexible, cooperative and appreciative of the primacy of client needs.... (Web-site: visited 15/5/05).*

A purchased service: SCCP

One MOFS program operating in the department is the SCCP. The program aims to place homeless children and young people who have significant behavioural issues. It is funded by MOFS on a fee for service basis, by purchasing the services of providers such as CYS. Typically,

the children may have a long history of abuse and damaged relationships and disrupted placements; They may require a structured behaviour management program or therapeutic/specialist input; They may require "high" intensity supervision and support or have serious difficulties in limiting/containing their behaviour...and have some or all of the following poor self image; poor socialisation and peer relationships; educational difficulties; anti-social behaviours; suicidal tendencies; drug and alcohol issues; physically/sexually aggressive or violent behaviours (Service Specifications 2002)

Through the SCCP program MOFS purchases the service delivery component which includes supported accommodation, assistance with special needs and basic living support. If the young person needing assistance has no safe place of accommodation, or is at risk of harm at the time of referral, then the referral processes are frequently undertaken with a sense of urgency.

Competing knowledges and rationalities

It is in the social spaces of the day-to-day service that power relations emerge and the dominant client-focused discourse is shown to operate within competing knowledges and rationalities. A critical incident narrative, drawing upon documents and observations, highlights questions as to how a conflict over a problematic referral was produced, given the apparent naturalized and taken-for-granted status of a client service discourse within both organizations. Department managers deal with power issues both directly, using authority, and indirectly through governmentality.

The conflict related to a client referral made by MOFS to CYS for a SCCP program. The CYS manager described the referral in the following way:

Our assessment include consideration of her risk of suicide, depression, she hears voices and behaviour such as those exhibited by those with personality or conduct disorder, physical conditions such as jaw and muscle locking/paralysis, her close proximity with other young people causes vulnerability and also disruption to the service and other clients and she also demands a great deal of time with her behaviour...We assessed that as the hospital system thought she was at risk or other patients were at risk and needed to special her that the risks were present in our service too. These risks included ...medical condition, her hysteria and disruption to other clients, the

risk of sexual assault/rape etc because of sleep over staff etc etc.
(Notes from CYS Manager).

After undergoing various psychological assessments, CYS considered the client to be an inappropriate referral for the SCCP program due to the acute nature of a psychiatric condition which had, in the past, resulted in violence towards her family and carers. Other issues were also involved relating to the timing of the referral and acceptance to a more suitable treatment program.

This issue is that the client was referred on a Friday afternoon and we asked for extra (\$) in case we needed extra supports for this young girl as she has been specialled in the psych ward. We said because of her specialled status and our knowledge of her and given there was no case conference etc that we needed some extra backup in case we could not get MOFS after hours or mental health supports over [the] long weekend. In the end we did not need extra support because senior workers came in and covered it and we managed and did not claim the money (CYS Manager's notes).

Despite the professional opinions and experience of staff and the risks associated with placing her at CYS, the management of MOFS rejected an alternative specialist mental health service placement, considering it too expensive, and insisted rather that she be placed at CYS. Angry exchanges over the phone were reported, for on the one hand the MOFS finance manager accused CYS with over-charging for services, while the CYS manager insisted the inappropriateness of the placement at CYS and the need for specialist services.

A meeting was subsequently convened to discuss the dispute, involving caseworkers, management and board representatives from CYS, as well as the regional director of MOFS and the regional director of finance. Direction for the meeting was powerfully established by significant comments from the regional director relating to the financial situation of the department. The regional director positioned the department, in an enterprise discourse (Doolin, 2002), as the purchaser, insisting that the department was *reviewing its purchasing arrangements*, going on to say that the department *had a significant budget blow-out* and that the region *had a significant problem to address*. The finance manager had therefore been *brought off-line to be the manager of high cost kids*. This situation had been exacerbated by changes to the funding arrangement of MOFS with State Treasury. In this way managerial discourse was clearly prioritized.

Additionally, in this new costing approach, common in the private sector, young people in the intensive assistance program (such as in this case) would be categorized (by MOFS management) according to current dollar amounts paid per week for their care. The new emphasis was, according to the department manager, *to provide better care more cheaply*. Details of how this might be achieved, however, were not presented or discussed. The position taken by the regional directors commodified clients and challenged the client-focused discourse by asserting the pre-eminence of managerial rationality emphasising efficiency and maximising dollar per unit outputs. Notes taken at

the meeting by CYS managers show that the finance director surprised and offended CYS management by the use of such instrumental and commodifying language to describe how there were so many children at this 'cost or range' and others in different cost ranges. Discussion ensued as to: where and how the client's needs might best be addressed; the significant risks for both CYS and MOFS while the client was placed at CYS and how these might be minimized; the level of care provided by CYS and whether it would continue to provide the services at all. The meeting failed to reach a clear resolution and the young client remained at CYS for several more weeks before MOFS under duress, placed her in the specialist psychiatric unit.

In summary, the case highlights the ways that powerful decisions were made by MOFS. First, how a client is constituted and at what level of need or dollar value, using which knowledges and rationalities – psychiatric and expert practitioner knowledge relating to a discourse of care and/or managerialist knowledge in pursuit of financial efficiencies. Second, identification of what the problem or issue is, in this instance it was contested and resisted; third, what must be done at the case level? By whom? With what responsibilities? For although legally CYS *are partners with shared responsibility*, in practice the area is problematic as CYS regard the relationship as powerfully controlled by MOFS and far from an equal partnership. Finally, the available subject positions for the children, workers and managers of CYS are prescribed but resisted. For the workers and the manager, the desired and dominant subjectivity involves technologies of the self, perceiving and disciplining the self to be a caring, effective, professional community carer. However, pressure from MOFS for the CYS management to adopt a managerialist role or identity raises significant dissonance both for the individuals and the organization (Sykes & Treleaven 2003).

Managerialism in excess

In the light of the foregoing examination, the questions posed earlier may now be more adequately addressed: how is managerialist discourse operating and migrating into community service organizations and what are its effects? Government adoption of neo-liberal policies and enterprise discourse in relation to sensitive human service areas creates conflict with the dominant client-focused discourse. For many years social work principles of care and practice embedded in a welfare discourse have shaped the institutional field and societal discourses in this area (Hardy & Phillips, 1998; Jamrozic, 2001). Now however, managerial discourse deployed through the use of contracts and managerial decision-making is shown to be powerfully re-shaping services, their practices and knowledges.

The effects of this colonizing managerialist discourse are shown to threaten participating organizations and their clients by challenging their client-focused discourse. In this case study CYS was placed under enormous pressure to increase their level of risk when responsible for the young people requiring intensive levels of care. Finally, and perhaps most importantly, young homeless people are discursively re-categorized in order to save money. Thus they fail to receive what was, until now professionally (and ethically)

regarded as appropriate help, as care is made subsidiary to a more expedient utilitarian end – managerial efficiency and effectiveness.

Interrogation of the operating discourses now enables our question concerning governmental strategies and their effects to be addressed. Three inter-related aspects of discursive activity are identified as being productive of governmentality: first, competing, language-based, regimes of truth or rationalities; second, managerial disciplining processes using technologies of the self; and third, technologies of control and explication.

First, dominant social work representations evident in community services organizational artefacts and technologies, point towards a strong social work-driven regime of what counts for truth. However, the authoritative deployment of legal and neo-liberal regimes of truth embedded in managerial texts is contesting this social space. Such approaches have been shown to employ knowledges incongruent with evaluations of worth and tacit and heuristic knowledge use associated with good practice in human services organizations (Sykes & Treleaven, Forthcoming; Treleaven, 2004).

A second aspect of governmentality is that of discreet managerial disciplining processes reliant upon technologies of the self (Rose, 1998). Subject positions adopted by community services managers have been consistent with a social welfare discourse within human services. However, contractual documents provided MOFS with the basis for a different disciplining process of CYS managers. *Who because of the high and sometimes urgent needs of the clients, require funded services to be flexible, cooperative and appreciative of the primacy of client needs* (Service Specifications), It is arguable that in framing their communication with CYS the client-focused discourse was deployed by MOFS as a means of disciplining CYS to fulfill its contractual and managerialist intents.

The third aspect of governmentality evident in this case study is the implementation of various technologies through the use of organizational, social and discursive mechanisms of control and explication. Interestingly, the SCCP program contract itself acts as a disciplinary technology by enacting the notions of co-operation and partnership in the context of other legal, financial and technical texts. Other technologies deployed here by MOFS include meetings, case-conferences, assessments and service specifications, each enabling a managerial function to be implemented.

This paper has highlighted how excess is related to context, and in this case study, how excess of management embedded in managerialist discourse colonized an area of community services. This dominant managerialist discourse has thrived in this context of a neo-liberal, technocratic economic environment in which governments have sought to become purchasers rather than providers of human services. Such enculturation of human services organizations by a managerialist discourse while not new, raises an array of issues for such organizations as they struggle to balance service delivery or meeting human needs with the incongruity of competition on this corporate playing field.

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* Pseudonyms have been used here to protect the identity of the organizations

Space
The Last Frontier or Endangered Species?
A Critical Look at the Diminishing Personal Space in the Lives of Workers

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Abstract

Organizations in the early years of the 21st century are complex, operating in an often ambiguous and uncertain environment. There is an intense focus on the bottom-line in the short-term. In the 'new work order', employees are asked to think and act critically, reflexively and creatively (Gee, Hull & Lankshear, 1996). Critical thinking requires personal space – physical and mental, together with time. This paper is a critical exploration of diminishing personal space available to workers in today's organization and the increasing encroachment of the boundary space between work and private domains by organizations. We expose the inherent contradiction that emerges from an increasing emphasis on the knowledge worker at the same time that economic theory, globalization and technology contribute to the erosion of personal space. The existence of this contradiction has potential negative impacts to both workers and organizations.

Introduction

Organizations in the early years of the 21st century are complex, operating in an often ambiguous and uncertain environment. There is an intense focus on the bottom-line in the short-term, which appears to drive all business decisions. Even governments have adopted the market disciple regime of efficiency, effectiveness and accountability (Maxwell, 2001). In the 'new work order', employees are asked to think and act critically, reflexively and creatively (Gee, Hull & Lankshear, 1996). At the same time, in the face of global hyper-competition (see for example Gee et al., 1996), organizations are seeking to break down the barriers between work, community and private life. They [organizations] "seek and demand total commitment and full immersion in goals, visions and practices of the organization" (Gee et al., 1996, p.7). How, then, does a worker learn to think critically and creatively? When do workers engage in this thinking activity, either as an individual or collectively? Where does a worker find the space for critical or creative thinking for herself i.e. for personal and societal reasons as well as work?

Our interest is personal space; that 'area' where an individual can think and reflect critically in order to explore and develop her needs, interests and individuality without interference or interruption. There is both a physical aspect and a mental aspect to this personal space. There is also a requirement for a period or interval of time in which to think and reflect. We propose that personal space is an endangered species; one that is rapidly facing extinction. The diminishment of personal space in today's society brings with it a significant negative impact on people and the organizations in which they work. It also has negative implications for society as a whole. Yet, as with many species on the endangered list, diminishing personal space does not appear to be receiving much attention. Individuals acknowledge the lack of personal space, often manifested in the lack of time to do 'what they want or need to do'. Yet they continue to operate at the same or even faster pace, allowing many interruptions and intrusions into their personal space. Organizations now acknowledge that workers have other activities outside of the work place. Many go so far as to espouse such values as work-family or work-life balance/harmony. However, whether or not such espoused values make into practice is another matter (for further discussion on this topic, see Wallace, 2004).

The purpose of this paper is to critically explore the phenomenon of diminishing personal space. Specifically, our explorations incorporate the erosion of personal space of the workers within the organization and in the boundary areas between work and the private domain. Our focus is the 'worker'. That is, any individual who is engaged in some form of paid work activity outside of the private domain. Following

Best & Kellner (1991) we utilize critical social theory as the basis for our exploration. We identify crucial social problems, conflicts and contradictions related to the diminishing personal space, analyze fundamental relationships of domination and exploitation that contribute to the diminishment of personal space and analyze ways that hierarchy, inequality and oppression are built into social relations and practices.

Our approach is multi-disciplinary. No adequate social theory or critique of existing conditions can be adequate without consideration of the theories of capitalism and the political economy (Best & Kellner, 1991). We draw on the critical theory of the Frankfurt School, the discipline of economics and the concept of globalization in this critical exploration. The research for this paper led us to the work of Richard Florida, an American economist with a unique perspective on revitalizing the economies of cities and Jane Jacobs, the well-known writer on urban issues. Although these authors focus on urban space and creative communities they informed our exploration of personal space in a number of ways.

We begin the discussion in this paper with a brief overview of the concept of the public sphere before moving on to explore the nature and effects of diminishing personal space. Key areas in the exploration include the knowledge worker, the increasing focus and reliance on technology in organizations and the accompanying erosion of boundaries, both physical and conceptual, between work and other aspects of life. This exploration incorporates a discussion of the role capitalism, economics and globalization play as they contribute to and are a manifestation of the erosion of personal space.

Our intention is to provide the reader with some 'food for thought' about this endangered species. It is our hope that such a critique will generate debate and discussion, ultimately leading to a reversal in the erosion of personal space.

Theoretical Beginnings

In one of his early works (1962) Habermas described the rise and fall of the public sphere in a capitalist society. While Habermas has been criticized for this idealization of the public sphere [specifically the exclusion of certain groups of people], the concept is worth considering as it provides context for this paper.

The role of the public sphere was to mediate between the private concerns of individuals in their familial, economic and social life as contrasted to the demands and concerns of social and public life. The space consisted of institutions and practices that resided between the private interest of everyday life in civil society and the realm of state power. Comprised of information (e.g. newspapers) and political debate (e.g. political clubs, pubs, coffee houses, etc.) it was intended to provide a forum or space in which individuals and groups could attempt to shape public opinion. In this space public opinion could oppose state power and powerful interests shaping the bourgeois society. It performed the role of mediator between the domains of the family and workplace on one hand (where private interests prevail) and the state on the other hand (which often exerted arbitrary forms of power and domination).

The public sphere concept presupposes that family and work, while separate are private. No mention is made of the existence of any space or sphere between family and work. This thinking reflects the environment of the 1700s when work and family weren't separate. However, with the beginning of the industrial revolution and the creation of l'employee (Jacques, 1996) the two parts of the private sphere separated. Over time, certain forms of social practice once integral to business were devalued

and ultimately stigmatized as 'women's work'. The domestic part of the private sphere declined as the role of women as domestic producer was reduced to role of consumer (Jacques, 1996). Any discussion of personal space must recognize this distinction between the two components of the private sphere. In this paper the two components are distinguished through the use of the terms 'work domain' and 'private domain'.

The state and private corporations moved into the public sphere as capitalism developed taking over the vital functions previously performed by individuals and collectives. It was transformed from a space of rational discussion, debate and consensus to a realm of mass cultural consumption and administration by corporations and the dominant elites (Kellner, 2004). Here, individuals have been transformed from citizens and discussants of political and culture events to culture consuming spectators of political and media spectacles (Best & Kellner, 1991). The end result is that corporations now hold tremendous power in this space, more even than nation states in some cases (Rifkin, 1995; Robertson, 1998). Having conquered the public domain, corporations are now turning their attention to the work and private domains of their workers.

Space – An Endangered Species

In this paper 'personal space' refers to both physical and mental space together with time. The concept of personal space incorporates work and private domains. We explore the erosion of 'personal space' in the workplace [where there is an increasing demand for workers to think critically and creatively while accomplishing their work in less time or doing more work in the same time], and in the boundary area between work and other aspects of a worker's life.

Goffman (1959) provides us with a metaphor that is useful in the critique of diminishing personal space. Individual workers are required to be 'on stage' or 'in the front region' at all times. The 'back region' or 'back stage' is the place away from but not totally separated from the performance. It is in the back stage area that the worker can "run through the performance, relax, drop his front, forego his speaking lines and step out of character." (p.112). Goffman informs us that the opening of the back stage area to those not normally allowed there can lead to stress and confusion on the part of the performers. This access encroaches on the space and time previously used to relax and step out of character. In organizations, the back stage is the personal space where workers do their critical thinking and reflection. Allowing others to intrude in this back stage area on a regular basis can lead to negative effects on both the worker and the organization.

Jacobs (2004) informs us that the western civilization of the early 21st century is in danger of entering the Dark Ages. This period [Dark Ages] is characterized by mass amnesia, in which the previous way of life slides into an abyss of forgetfulness. She suggests there should be a 5th Horseman [sic] of the Apocalypse - Forgetfulness. Best & Kellner (1997) argue that "sociological and historical perspectives are needed that relate the current moment both to the past out of which it arose and to the future it anticipates"(p. ix).

As businesses become increasingly global in their operations and corporations rather than governments hold the balance of power the focus is on the 'now'. No one appears interested in what happened in the past and little consideration is given to the future. All energies are directed to this year's financial results. Once the current year's objectives are achieved, management switches its focus to the next year. Failure to achieve the financial objectives often leads to

organizational restructuring, down-sizing and layoffs or organization mergers. All of these actions ultimately affect the personal space of the remaining workers, both within the organization and in the boundary areas between their work and private domains. Ironically, these actions also result in the loss of knowledge for those same organizations that demand knowledge production from their workers. Organizations do not appear to be aware of or acknowledge that this short-term focus can have detrimental effects on their workers and the organization itself.

There is evidence that such short-sightedness and forgetfulness has already 'cost' some organizations. For example, the government inquiry board created to review the factors contributing to the Challenge disaster (1986) and provide recommendations noted:

"One factor which may have contributed significantly to the atmosphere of the teleconference at Marshall is the effect on managers of several days of irregular working hours and insufficient sleep The willingness of NASA employees to work excessive hours, while admirable, raises serious questions when it jeopardizes job performance, particularly when *critical management decisions* are at stake." (emphasis added, Rogers, 1986, cited in Maier, 1997, p. 248).

Approximately 16 years later, NASA suffered another disaster when the shuttle Discovery exploded at reentry point, claiming the lives of all on board. There was little evidence in the resulting post mortem analyses to indicate that NASA had remembered its past history in its focus to meet the current objectives of the program.

In the next sections of the paper we explore four major areas that we believe contribute to the erosion of a worker's personal space – economics, globalization, knowledge production and technology. Economics and globalization are closely interwoven, shaping the operating environment in which organizations conduct business. While they may be beyond the direct control of corporations and workers, they are as instrumental in contributing to the erosion of personal space as is the organization's focus on continuous knowledge production and technology. A duality exists in which an individual organization's actions within this operating environment contributes to and sustains the environment.

Economics

Economics is the social science concerned with the production and consumption of goods and services and the analysis of the commercial activities of a society.¹ A late entrant to the social sciences its proponents have attempted to distinguish it from other disciplines using claims of reliability and validity of quantitative research methods together with the rigour of empiricism (Waring, 1999). Consequently, its primary focus is *growth and the making of profit*. Capitalism, a sub-set of economics is an economic system based on the private ownership of the means of production, distribution and exchange.

All is not well in the discipline of economics. Ekins (1985) informs us that economics has reached an impasse. He suggests that "nothing seems to work as it used to" (p.1) noting that neither investment nor growth are bringing down unemployment, inflation is a continual threat, third world debt threatens to topple the international financial system and *new technologies dominate people* rather than

¹ Collins English Dictionary and Thesaurus, 1993, p.355

liberating them. During the past 20 years the discipline of economics has become the “omnivorous feast of commodification”, creating the illusion that everything can be reduced to a price. “Growth is God” (Waring, 1999, p.xix).

Organizations worship this ‘god’. Today’s worker is expected to produce immediate, measurable results. Management is not considered to be successful unless they can demonstrate growth year over year. Growth is quantitatively measured through annual profits and market capitalization. Failure to achieve the desired level of growth can lead to worker lay-offs, leaving the remaining workers to fill the void. Many workers find themselves with increased workloads and deadlines at the same time that they are expected to learn the duties of their laid-off colleagues. This approach invariably manifests itself in increased hours spent at the workplace but with no additional personal space in which to think or reflect. Rarely are the remaining workers provided with personal space in which to come up the ‘learning curve’ even though they are being asked to take on new and often different responsibilities that require new knowledge and new skills.

Gee et al. (1996) use the term “Fast Capitalism” to describe this economic environment. They inform us that it is based on design, production and marketing of ‘high quality’ goods and services for saturated markets. There is a finite number of consumers in the world, thus organizations must find creative ways of making and selling more of their products and services if they want to grow. Fast Capitalism is driven by global hyper-competition, massive technological changes and a sophisticated consumer. The end result is the creation of “the most lean and mean quick and efficient, customer-pleasing and customer-creating businesses possible.” (p.27). Customization is the key buzzword in this new economy. Only businesses that produce the highest quality for the best price and directed towards just the right niche market can survive and flourish. Business must keep innovating products and services perfectly dovetailed to the lifestyle and identity of a particular group of people.

What is missing from this analysis by Gee et al. (1996) is how workers are expected to achieve and sustain this innovation. There is an apparent contradiction in their description of businesses in a fast capitalism economy. How is it possible to be ‘lean and mean’ in terms of the resources invested in producing the desired innovative, customized products and services? Innovation requires personal space for critical and creative thinking. Customization requires personal space and time in which to work with the customer, develop new ideas to meet their requirements and present potential alternatives to them. It is very difficult for most workers to conjure up creative and innovative ideas ‘on demand’ or under pressure within a specified time frame.

Richard Florida is an American economist, who brings a different and unique perspective to economics. An urban economist, his main premise is that cities with thriving arts and cultural climates and openness to diversity of all sorts enjoy higher rates of innovation and high-wage economic growth. The creative class is attracted to a city that demonstrates technology, talent and tolerance. The creative class that Florida refers to is not limited to the artistic sector. Creative occupations are found in all sectors of the economy. It is the originality of thought and demonstrated imagination that distinguish creative occupations from those that are routine in nature. Occupations as diverse as engineering, architecture, computer software design, academia and consulting are illustrative of the creative class.

Florida’s message appears encouraging as he implicitly recognizes the need for and importance of personal space in his economic analysis. Innovation and creativity

require physical and mental space in which to create. Creative thinking requires time to explore ideas and reflect without interruption. When a city provides an environment that fosters critical and creative thinking it attracts the people who utilize and value this space. According to Florida (2003), these cities will grow and prosper.

In summary the discipline of Economics focuses on measurable growth as the overall outcome of production and consumption. However, economists such as Florida give recognition to the importance of diverse environments and creative space and provide us with evidence that fostering and valuing creative space contributes to economic growth. Thus, we argue, organizations should be providing an environment that is conducive to critical thinking and creativity in order to foster growth and innovation. Rather than reducing this personal space for the worker, they should be increasing it.

Globalization

Many consider globalization to be a relatively new concept. However, as defined by Stein (2001), globalization has existed in some form for hundreds if not thousands of years. Globalization is the “shrinking of distance through thickening networks of connections” (Stein, 2001, p. 48). The connections are made from economic, technological, environmental, social, cultural and political processes, which then integrate layers of societies. The outcome of the connections and integration is change in the established structures, languages, values and institutions. From this perspective it can be argued that globalization is in many ways a newer variant of imperialism (Mills & Helms Hatfield, 1998).

Rifkin (1995) informs us that both politicians and business promote the virtues of a post modern era in the form of the global village. This village resembles utopia. Entry is gained through re-education and retraining i.e. the acquisition of new skills for the supposedly many job opportunities that will arise. This rhetoric is silent, however, on how and when these individuals are suppose to acquire these new skills. Organizations typically support training and education activities on *their time* only if it can be demonstrated that the training outcomes will *immediately* enhance the value of the individual worker to the organization. If this immediate value can not be demonstrated the individual is left to acquire new skills on her ‘own’ time. Individuals are left to carve out time and space from an already full day to obtain the retraining elsewhere. This leads to a vicious circle. The work organization makes demands on the worker’s personal space that could be used to participate in retraining thus reducing the amount of personal space available to the worker in which to pursue the retraining required to maintain a job.

Robertson (1998) argues that, contrary to the rhetoric of corporations and nation states there isn’t a global village, reflective of trust, community and neighbourliness. Rather, it is a global city, which is guided by the three trinities of markets, technology and information. Trade is the vehicle of globalization (Robertson, 1998). The takeover of the public sphere is an outcome of organizations’ relentless pursuit of trade. During this pursuit, organizations have reneged on environmental standards and contributed to the decimation of social services ultimately increasing child poverty and restructuring the relationship between people and governments.

“We can move capital on the internet in a split second and billions of dollars around the world. People can move across borders like never before. Cities have to be places of choice to live in and increasingly, we have to compete for citizenry, for talent, for creativity and investment like we never

have before because of the mobility of ideas, of people and information technology capacity, which is instantaneous” (Murray, 2003).

Murray’s quote presents a succinct summary of the current global environment. Everything and everyone is mobile. However, when this mobility is considered at the level of the worker, it illustrates why the personal space of individuals is disappearing. Business is now done on a 24/7 basis 52 weeks of the year. In North America, the expectation is that workers should be available to work on that basis. Thus it isn’t unusual to hear of individuals getting up at 3 AM in order to participate in a work-related conference call concerning the latest work-related ‘crisis’ somewhere in the world. If this was an isolated incident, it would not be cause for concern. However incidents of this nature occur on such a frequent basis that it has become systemic. These calls may not all occur at 3 AM but many are scheduled for either early morning e.g. 7 AM or early evening e.g. 7 PM. For example, in some organizations managers have decided that the customer will receive their undivided attention during what might be considered ‘normal working hours’. Anything not client related, such as recruiting interviews, staff performance reviews and other staff [and thus work-related] matters will be dealt with before 8 AM or after 6 PM. This approach has the effect of extending the working day and reducing the personal space in the boundary area between work and the private domain. Management does not appear to consider this to be unusual operating conditions in today’s global environment. They are focused on serving the customer at all costs. If that means working longer hours and full-time availability, so be it. What appears to be missing from their approach is the fact workers can’t consistently deliver creative, innovative products and services without the existence of and access to personal space. In summary, “the outcome of modern capitalism and globalization is the relentless extension of the working day across *time and space*” (emphasis added, Florida, 2004, p.13) which has the effect of eroding the worker’s personal space.

Knowledge

Knowledge has emerged as one of, if not the most important economic resource that an organization can have (Gee et al., 1996; Stein, 2001). Businesses compete on how much knowledge and learning they can leverage in order to “expeditiously invent, produce, distribute and market their goods and services, as well as to innovatively vary and customize them” (Gee et al., 1996, p.5).

The ‘knowledge sector’ is one of the few new sectors to emerge in the current job environment where the introduction of new technologies continually displaces workers from more traditional jobs (Rifkin, 1995). In today’s post-industrial age, efficiency is a virtue that extends to the efficient production of knowledge (Stein, 2001).

If knowledge is a resource then it is also a commodity, one that can be bought and sold or traded. The knowledge commodity is infinitely renewable and only loosely related to any one geographical space (Stein, 2001) making it much more transferable than commodities such as natural resources. Knowledge manifests itself in the “proactive, self-managing, team-oriented ‘knowledge worker’” (Jacques, 1996).

Knowledge Worker

Jacques (1996) argues that the knowledge worker is not a new phenomenon. It has only emerged in the spotlight because of certain socio-economic conditions, for example new technologies, refined market boundaries, and global redistribution of

classes of work. Knowledge now goes out of date too fast to rely on what you learned in school. Thus, according to Jacques, it is the learning worker who is emerging, “one whose value lies in the combination of discretion and skill that permits one to change what one knows” (p.181). While knowledge is static, learning is fluid. We utilize the term ‘knowledge worker’ in this paper but acknowledge that, following Jacques it would be more accurate to use the term ‘learning worker’ to describe this particular class of workers.

Rifkin (1995) informs us that the knowledge sector is comprised of a small elite of entrepreneurs, scientists, technicians, professional educators and consultants. We propose the concept of ‘knowledge worker’ applies to a much broader group of workers. As organizations eliminate levels of middle managers they risk losing the knowledge associated with these workers. In order to maintain this knowledge, it must be ‘pushed down’, together with the accompanying responsibilities to the lowest possible levels in the organization (Gee et al., 1996). “This will only work for the organization if the lower level workers can learn and adapt quickly, think for themselves, take responsibility, make decisions and communicate to the leaders” (p. 19). Consequently there are very few jobs now, at least in North America that don’t require the worker to continually adapt, change and learn new skills. Failure to learn and adapt can result in unemployment.

Some economists argue that creative thinking is not a commodity (see for example, Florida, 2004). Rather creativity comes from people, making them [the people] a critical resource. However, Florida fails to move to the next step in the process i.e. equate a resource to a commodity. If knowledge workers weren’t a commodity there would be no need for job recruiters or salary bidding wars. Organizations would not be so focused on the ‘price’ of its workers e.g. salary costs or concerned with outsourcing specific processes under the guise of returning to their ‘core businesses. The rhetoric surrounding ‘core business’ is just another way of saying the organization does not wish to acquire or maintain certain knowledge.

A key characteristic of knowledge production is that it occurs in the minds of the individuals (Stein, 2001). This makes it a very mobile resource but also one where production never truly stops. While the factory worker can leave ‘work’ after completing a shift and be finished ‘work’ for the day the knowledge worker never stops ‘working’. Organizations exploit this characteristic in their efforts to increase productivity while managing the bottom-line. As a consequence knowledge production creeps into the boundary area between work and the private domain of the worker.

Within the work/family discourse clear boundaries have been drawn between work and home. These boundaries have been created to protect the work domain from the ‘unnecessary intrusions’ of family responsibilities. Despite the entrance of more women into the work force and thus the work discourse this clearly demarcated boundary still exists (Runté & Mills, 2002). At the same time, there is an implicit expectation that as individuals move between the work and private spheres, the organization’s needs are super-ordinate to the needs of the family and other responsibilities in this life sphere (Runté & Runté, 2004). In other words, it is acceptable for the organization to intrude in family and other personal responsibilities but it is unacceptable for the private sphere responsibilities to intrude in the work domain.

Karasek & Theorell (1990) inform us that the ‘dumbing down’ of the work to a few simple, repetitive tasks contributes to the declining health of workers. Citing Durkheim they note that extreme forms of division of labour can lead to social disintegration.

Following this line of thought, the physical and mental health of knowledge workers would not appear to be at issue. One could argue they aren't involved in simple repetitive tasks because they are always learning and adapting in order to perform their jobs. In fact, "the challenging situations presented by active jobs e.g. professional work, call for high levels of performance, but lack the negative psychological strain associated with deskilled jobs" (Karasek & Theorell, 1990, p.35).

We disagree with Karasek & Theorell's proposition. Their research fails to consider the ever increasing pressure to be more creative and innovative in less time. Knowledge workers are required to consistently demonstrate high levels of performance with few opportunities to 'take a break' in order to recharge their batteries. Vacation time, ostensibly provided by the organization to enable the worker to 'recharge' is often deferred or postponed indefinitely in order to deal with the more immediate needs of the organization. If taken, the individual often remains 'connected' through email and voice mail, allowing the organization to intrude into personal space. The organization fails to consider the future detrimental effects, focused only on the 'now'.

Continual interruptions in space and time away from the organization are illustrative of the 'lean and mean' approach, where the knowledge resides in the heads of the workers and there are no other workers who have exactly the same knowledge. We propose that there is a high probability of knowledge workers exhibiting mental and physical health symptoms, which can impede their ability to work. This view is supported by the results of a recent study by the American Psychological Association (2004). While the study did not limit its focus to knowledge workers, it found two-thirds of both men and women reported that work has a significant impact on their stress level. The impact manifested itself in absenteeism, turnover, and diminished productivity.

Knowledge Management

Jacobs (2004) argues that writing, printing and the internet give a false sense of security about the permanence of culture. One can make the same argument about the permanence of knowledge. Knowledge, like culture is lived through word of mouth and oral stories, residing mainly in people's heads and thus subject to natural mortality.

This mortality has led to the recent emphasis on knowledge management in organizations. Workers are encouraged to share knowledge with their colleagues and document their knowledge in repositories. Organizations have created 'Knowledge Management' positions for the specific purpose of capturing and disseminating the knowledge resident in workers' heads. The espoused message accompanying this requirement relates to increasing the worker's productivity. While this is a plausible reason for the creation of knowledge positions and knowledge repositories we propose that it is really a form of control over the workers. It allows the organization to access the knowledge after the worker leaves. It also allows the organization to monitor the activities of the worker through the volume and nature of the knowledge information that is deposited. Volume equates to measurement and this allows the organization to measure the 'productivity' of the knowledge worker.

The emphasis on knowledge documentation for the espoused reasons of efficiency and productivity introduces a contradiction that is inherent in the current approach to managing knowledge workers. The same workers who are supposed to be thinking critically and creatively in order to support a competitive organization stop 'thinking' when searching for specific knowledge. Under increasingly tight time-

frames, workers search for the information, 'cutting and pasting' anything that appears remotely connected to the research question. They attempt to impose a cookie cutter approach to a situation instead of applying critical thinking because it is faster and easier. Thus the specific and sometimes unique set of characteristics of the particular 'problem' are overlooked or ignored for the sake of solving the problem now. Ironically, the increased development of and reliance on knowledge repositories in organizations has the effect of reducing, not increasing the critical thinking abilities of the organization's workers.

There are organizational and societal ramifications to this worship of information and knowledge. A vigorous culture is heavily dependent on its educated people and their critical capacities and depth of understanding (Jacobs, 2004). This same argument can be applied to organizations. Organizations want and even demand critical thinking from their workers but do not provide the personal space and time that facilitates this thinking. "Workers are under immense pressures to produce knowledge very often *on site* while carrying out the job" (emphasis in original, Gee et al. 1996, p. 6). While organizations may espouse the need to train their people it is doubtful whether this always happens in practice. For example, one Canadian organization offers an internal training course on critical thinking. A review of the course objectives and description for the course found:

"This course is designed to enable you to: develop strategies, skills and tools to generate innovative ideas and think creatively; harness intellectual capital of the organization and build teams of innovators."

All of this will be accomplished in three days in the classroom. If the course was any longer it would prevent the worker from servicing the very customers who purchased the creative thinking skills. Nowhere in the course description is there any indication of how workers are to find the 'space' and time to do this critical and creative thinking once they leave the classroom. In practice, few of the attendees rarely devote a full three days to the training. Customer and management demands require them to miss several hours or even a day of the training. Ironically, the organization doesn't provide its workers with sufficient personal space in which to attend a training course specifically designed by it [the organization] to improve the critical thinking competency of its workers.

Technology

Technology has played and continues to play a significant role in the disappearance of personal space. The term 'technology' as used in this paper refers to computerized systems and tools. Some might argue that technological development is a good thing, benefiting people in a multitude of ways. Others have suggested that technology is a 'bad' thing. In 1968, Etzioni hypothesized that relentless technological development would either destroy all previous values or would make possible the use of technology to better human life and to solve all social problems (as cited, Best & Kellner, 1991). In reality, it has probably done both. As the Frankfurt School noted, a technologically advanced society does not automatically embody freedom and progress (Best & Kellner, 1991). In many cases, the "technologies that were suppose to liberate individuals have instead, invaded their lives" (Florida, 2004, p.13).

Alvesson (1985) argues that it is rationality, not power and class structure that dominates the current capitalist society. Following Marcuse, Alvesson proposes that technological rationality constitutes a model of social practice where *any [and all]*

problems are defined in technical terms. As a consequence, it is assumed that problems can be resolved with the use of scientific knowledge and advanced technology. The list of organizations that believe in this mantra is long. One of the more recent examples was headlined in the business section of a Toronto newspaper (2004). Management at Nortel Networks, a global technology organization decided to implement SAP, an accounting and management system that, they espouse, will solve all of the problems currently facing the organization. This particular article was silent on events leading up to this technology acquisition decision e.g. massive staff lay-offs, an ongoing criminal investigation concerning the accounting records and the dismissal, with cause, of the Chief Executive Officer, the Chief Financial Officer and the Controller in 2004. The article was also silent on the specifics concerning SAPs ability to solve the many issues currently faced by the organization. It was noted, however, that other companies had implemented SAP, some more successfully than others. Sobeys Inc [a Canadian grocery retailer and food distributor], for example, had abandoned their SAP implementation after investing \$51 million Canadian and thousands of resource hours because it didn't appear the system would resolve their problems.

Technological changes are a regularly recurring event in today's organizations. The driving force for this change [apparently] is to implement technology that will provide a more effective and efficient means of executing processes thereby increasing productivity of the individual worker. However, these new technologies more often "replace the human mind, substituting thinking machines for human beings" (Rifkin, 1995, p.5). The consequences – 75% of the labour force in most industrial nations are engaged in work that consists of simple repetitive tasks.

In their study of overtime work of professional and managerial workers Runté & Runté (2004) found a widespread reabsorption of low level tasks into the job expectations. Many of these tasks related to the technology tools introduced to improve 'efficiency and effectiveness' of workers, for example voice mail and email. The authors noted that the failure of a worker to manage her time efficiently was attributed to the worker and not to the underlying structural causes of the inefficiencies. Yet it was the technology tools that were often the causes of the inefficiencies.

There is a tendency by organizations to re-define problems with respect to purpose, aims and values so that they become technical issues (Alvesson, 1985). If they can't be defined as a technical issue the problem becomes irrelevant. Alvesson informs us that employees at lower levels of the business organization are often reduced to objects i.e. "passive, controlled operators obliged to adjust to the demands of the market and of the manufacturing process" by senior management (p. 130). The objectification is partly attributable to power and partly attributable to the demands of a highly advanced, large scale technology.

The above discussion illustrates a large contradiction that is present in organizations today. At the same time that they [organizations] 'demand' creative and critical thinking they provide their workers with tools that, in many cases 'dumb down' the thinking process. The overriding mantra is one of doing more faster because the technology exists that [should] facilitate this process. Yet the introduction of this technology more often than not hinders efficient and effective production. Workers require time in which to learn how the new technology works. For reasons known only to the software developers new versions of existing applications often contain changes, which require the worker to spend more time becoming familiar with the software. The worker will often resort to self-training after 'work hours' or at home on the weekend because there is no time within the work day to devote to this training.

Technocratic consciousness (Habermas, 1971) eliminates the distinction between communication concerning political frameworks and social norms on one hand and technical problem solving on the other at the expense of the former (cited in Alvesson, 1985, p. 127). Habermas opposed the separation between technical development and the social reality (system and life world). Yet, technology is typically developed in an alienated form, over and against human needs. Habermas argued that technology should be subordinated to human needs; to the realm of 'the communication of acting men' (Best & Kellner, 1991, p.151). However, the link between technology and progress is so strongly established that to oppose technology is to oppose progress. "Technology has become institutionalized and its development is natural, neutral and inevitable" (Clegg & Dunkerly, 1980, p. 341).

The rapid and ongoing implementation of new technology actually reduces productivity and critical thinking rather than improving it. The production and management of knowledge produces vast quantities of data. The human brain can only take in and process a certain amount of information at one time. Yet, in an organization's constant demand for more information on a 'more timely basis' this is often what is expected of workers. The requirement for more in less time is also prevalent in any work that is project based. Accordingly workers become focused on meeting the deadlines and not on thinking about alternative approaches to executing the project or identifying other aspects that could be included. In this march against the clock [which is used to define time] workers often find themselves either staying at the office beyond normal working hours or taking the work home in order to find additional 'space' in which to complete the task. This activity is rarely recognized by organizations except as an unspoken expectation that the work will be completed 'on time'.

The functionality of the technology tools that are espoused to increase efficiency and productivity actually contribute to reduced efficiency, productivity and critical thinking. In most organizations there are a plethora of technological systems and applications, many of which are not functionally compatible and thus 'don't talk to each other'. Consequently, a search for information can require accessing several different systems; hardly an efficient way to locate the knowledge.

Because knowledge becomes obsolete very quickly there is a created need for someone to monitor and update knowledge repositories on an ongoing basis. Both the capture and maintenance of knowledge are repetitive tasks, requiring little critical thinking. The need for this task illustrates Habermas' contention that technology is developed in isolation of the end-users.

One outcome from the increased use of technology tools is that everyone is 'wired'. Individuals have computers, cell phones and now Blackberries. One might think the real work of the organization is 'staying in touch'. Organizations expect workers to be in constant contact with them via one or more of these technology tools. Failure to respond to any message in a timely manner i.e. immediately is criticized. Workers make phone calls to ascertain why emails haven't been responded to or they call to inform colleagues that an urgent email is being sent. Thus you can no longer be guaranteed 'personal space' while working outside of the physical office.

This technology intrusion has negative implications for both individual workers and the organization. Workers find themselves constantly starting and stopping a task in order to deal with 'interruptions' from other individuals or technology tools, leading to reduced productivity and lack of critical thinking. There is no 'time budget'

for researching past events or activities that may have a bearing on the current project or issue. The 'time budget' is usually short on or lacking time for the worker's personal reflections about the research required to increase knowledge and provide a solution. This leads to increased stress as the worker attempts to juggle all of the tasks during 'work hours'. The solution becomes: stay later at the office or take the work home. Staying late at the office is no guarantee that the worker will have the space required to complete the work. Other workers also stay late to finish their work. Thus the work day is extended, with continual interruptions. The end result, the worker's personal space is seriously eroded regardless of whether they stay late at the work place or take the work home.

Physical Space

Critical thinking requires a physical space that facilitates, not impedes the thought process. Take a tour of any organization today and you will find workers sitting in open space or partitioned cubicles arranged in modules or groups. There are no doors to close. There is constant traffic with people wandering in and out of the cubicles. People often talk over the cubicle barrier to colleagues. Phones ring, both land lines and cell phones. In an apparent attempt to mitigate the work place 'noise' some organizations have introduced background music or workers use radios to create 'noise' to screen out the 'noise'. In other offices, workers resort to 'plugging in'. An office tour will find a large number of workers sitting with head phones on staring at their computer screens. People working in call centres, however, do not have the option of 'plugging in'. They sit in open spaces where multiple phone conversations are going on, the current statistics are flashed on a large board in front of them and a supervisor hangs over their shoulder or monitors their conversations using another phone. Both of these scenarios are driven by technology 'needs' and represent the typical environment in which the knowledge worker is supposed to be productive. However, depending upon the individual's learning and working styles, this can be a very distracting environment, ultimately limiting critical thinking and knowledge production.

It is not clear whether organizations recognize that these physical settings reduce productivity and critical thinking. What is clear, however, are the economic reasons for setting up office space in this manner. Modular setups and limited infrastructure e.g. walls are less costly to install, easier to rearrange as the organization reorganizes and ultimately saves the organization money. Another explanation for this setup is control. Although management may not explicitly state this, an open work environment is far more conducive to a panoptican approach to control of the workers than a series of offices with doors and limited access.

Finding alternative space outside of the work environment for critical thinking and reflection is a challenge. While there are many coffee shops, especially in large urban centres they no longer provide the forum for discussion and debate idealized by Habermas. Holding a meeting or engaging in any serious conversation in a coffee shop or café is virtually impossible due to the propensity of establishment owners to play loud music or the television. This noise actually precludes active debate and dialogue as individuals are forced to compete with other conversations, the normal sounds of business in the coffee shop **and** the loud music or blaring television. It has been suggested that the intent is to substitute consumer behaviour for critical thought (Habermas, 1989). Thus individuals are 'forced' to purchase their coffee and move on unless they are prepared to compete with the noise. It is certainly not an environment that is conducive for critical thinking and debate.

Increasing levels of stress and snap decisions will eventually result in negative effects on the organization. Critical and creative thinking vanishes. Mistakes are made damaging the reputation or the financial viability of the organization or both. Yet, as Jacobs (2004) suggests, organizations appear to have very short memories, tending to 'forget' their past experiences and those of their competitors.

Conclusion

We began this paper with the stated purpose of critically exploring the diminishing personal space of workers. We proposed that it was an endangered species. We found a huge contradiction inherent in today's work organization. Workers are expected to work harder, engage in creative thinking and develop innovative ideas and products while under immense time pressures and in the absence of a physical environment conducive to critical thinking. Economic theories, the current capitalism discourse and globalization all contribute to the environment in which organizations operate. Organizations respond by increasing their focus on the customer, developing new and innovative products and services, and committing to full-time availability in which to service the customer. This leads to an increased emphasis on the knowledge worker and the implementation of technology that will ostensibly allow the organization to compete and survive. At the end of the day, the expectation is that workers will do more, be creative and respond immediately to any 'crisis'. What is missing from this discourse is the acknowledgement that this work approach requires space and time for the workers to think and create. Organizations have eliminated personal space within their operations and are now encroaching on the personal space in the boundary areas between work and other as they [organizations] endeavour to win the 'innovation' race.

Our explorations led us in many directions and across several disciplines. Space [sic] does not permit us to address all of them in this paper. Yet we believe the critique is not complete without them. For example, our exploration of the knowledge worker treated this concept as a unified group regardless of the industry, the profession or the occupation of the worker. In reality, there are different classes of knowledge worker; they may be impacted in different ways as personal space disappears. Many organizations, for example call centres, still operate in a hierarchical, highly bureaucratic environment with its underlying control systems. Yet call centre workers are required to learn, change and adapt quickly. Professional services firms are driven and sustained by knowledge workers as knowledge is their product. Further exploration of this erosion or elimination of personal space of knowledge workers in these significantly different work environments is required.

We noted the demise of high profile organizations, the failures of which have been documented in books and other publications e.g. Enron, The Challenger. Could these stories be re-written from another perspective i.e. the erosion of personal space and the effects of the erosion on critical thinking and decision-making? This avenue should be explored.

Finally, as many authors have noted, no analysis of organizations is complete without incorporating gender (see for example, Acker, 1990, 1992; Calás & Smircich, 1992; Mills, 1992). Consequently there is a need to explore diminishing personal space using a gender lens.

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Contemporary Chinese Organizational Culture in Hero Storytelling: A Rhetorical Analysis

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Abstract

This study approached organizational culture through one of the most important but under-explored cultural phenomena that holds rich promise within organizations: hero storytelling. Based on Schein's three-level hierarchical model of organizational culture, fantasy theme analysis was adopted as an operational way of eliciting the espoused values (Level 2) and basic underlying assumptions (Level 3) from the fantasy themes and types about organizational heroes (Level 1) in two Chinese companies.

Five fantasy types of organizational heroes were uncovered from 159 hero stories by in-depth interviews. Nine espoused and widely shared values were uncovered based on the assimilation degree of organizational members with their perceived corporate heroes and four general basic underlying assumptions were revealed from respective fantasy types, thus formulating a holistic picture of contemporary organizational culture in the Chinese context.

This study documents the most important aspects of organizational culture in the two Chinese companies during this time of rapid economic development in China. The knowledge of Chinese corporate cultures today and the understandings of the cherished values and basic underlying assumptions hopefully help both Chinese organization administrations and foreign counterparts seeking business opportunities in China in their goals of better internal integration and external adaptation.

In China today, business giants are always the focus of attention. The names of these people have become synonymous with the legendary success of their organizations. They have become known to the whole nation through their heroic stories.

In organizational communication studies, such legendary men and women are named organizational heroes (Deal & Kennedy, 1982). They are said to personify values and beliefs that are important to the success of the organization. The stories and narratives about them are always presented with great drama so as to inspire organizational members to rally around and embrace the values that the organization promotes.

The purpose of this study is to conduct a rhetorical analysis of organizational hero stories so as to uncover the themes and types that organizational members tell about these heroic figures and to elicit the espoused values and basic underlying assumptions embedded in them, thus formulating a holistic picture of contemporary organizational culture in the Chinese context.

LITERATURE REVIEW

Organizational Heroes and Hero Storytelling

The concept of corporate hero or organizational hero as part of organizational culture was first raised by Deal and Kennedy (1982) in their most influential book *Corporate Culture*. For them, organizational heroes personify and epitomize the espoused values. They summarize five main features of organizational heroes:

(1). Heroes are one of the elements of culture; (2). They are known to virtually every employee; (3). They show others “here’s what you have to do to succeed around here”; (4). They are known through the stories and myths of an organization; (5). They are not necessarily charismatic. In our pop society, the media often suggest that heroes are charismatic individuals. On the contrary, corporate heroes tend not to be charismatic. They are sometimes hard, insensitive, often unlikable sorts, but they accomplish the goals of the value system.

Organizational heroes, in this study, are defined as:

organizational members who have made remarkable contributions to the success of the organization and who are recognized, respected and even admired by other organizational members. They are believed to best exemplify the culture of their organization.

This definition could serve as a working definition and starting point to clarify the notion of the heroes and distinguish them from other organizational employees.

An organizational hero is well known for having performed an important deed for the organization. How the hero becomes well known is, most of the time, through stories about his or her performance.

Hero stories, as part of organizational culture, must be told and communicated for the culture to be learned and transmitted. Organization administrations often take a hand in promoting organizational values and beliefs by setting up organizational heroes for employees to follow through hero storytelling. Hero storytelling by the administrations is a formal organizational communication because it is usually intentional, systematic, artistic and persuasive.

There exists hero storytelling, too, among organizational members. The kind of hero storytelling is usually an informal interpersonal communication. These hero stories express individual values and beliefs preferred by the employees and are

disseminated by word of mouth. We can assume that uncovering hero storytelling by employees can present a picture of the organizational culture lived and experienced by organizational members.

As organizational heroes are bearers of organizational culture, a fruitful way to understand the organizational culture would be to study their stories that reveal rich cultural elements. Organizational hero storytelling is defined as:

the telling of and stories about the organizational members who best personify the organizational culture.

Here, storytelling refers to two aspects: the process of telling and its products: stories. The process of telling the stories is regarded as important as the stories themselves because the ways these stories are told may contain important information about the organization and its culture.

Organizational Culture

Although the study of culture is a long-standing tradition in the field of anthropology, the concept of organizational culture is a relatively recent development. It was first defined by Elliot Jaques in 1951 as “the customary and traditional way of thinking and of doing things, which is shared to a greater or lesser degree by all its members” (p.251). But it took another 25 years for the concept of organizational culture to take hold in organizational communication theory (Lardon, 1999). Since 1980, numerous papers on organizational culture have been published in the sociological, psychological, and management literature. Today it has become a common concept in organizational communication studies.

However, no uniform definition of organizational culture has been reached as different scholars define culture in different ways. The central concept of culture includes a coherent set of beliefs (Baker, 1980) or basic assumptions (Wilkins, 1983; Schein, 1985), a set of shared core values (Deal and Kennedy, 1982; Peters and Waterman, 1982), important understandings (Sathe, 1985), or the collective programming of the human mind (Hofstede, 1980). In addition, different authors tend to use these concepts in different ways, creating some conceptual confusion and ambiguity (cf. Deal and Kennedy, 1982; Peters and Waterman, 1982; Davis, 1984; Schein, 1985). It is unclear which one or which combinations of these frequently used concepts represent culture best.

Edgar Schein, generally considered father of organizational culture, defined organizational culture as follows:

a pattern of basic assumptions - invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration - that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (Schein, 1987, p. 385).

He raised a hierarchical model of organizational culture with three levels as follows (Table1):

Artifacts	Visible organizational structures and processes (hard to decipher)
Espoused values	Strategies, goals, philosophies (espoused justifications)

Basic Underlying Assumptions	Unconscious, taken-for-granted beliefs, perceptions, thoughts, and feelings (ultimate source of values and action)
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Table 1 the hierarchical model of organizational culture by Schein (1987)

Top level: artifacts

When entering an organization, the first things one can see, hear or “feel” are its artifacts. They represent the most visible aspects of organizational culture. They are helpful for studying organizational culture because they provide clues about the less tangible levels of organizational culture.

Middle level: espoused values

Schein labels the middle level of culture “espoused values” (Argyris & Schon, 1978; Milller, 2003), which represent preferences or what “ought” to happen. It is believed that the values of the organizational founder or chief executive officer (CEO) play a critical role in shaping the organization’s culture. In discussion on the values and behaviors of the CEO, Bennis (1986) states that the CEO is clearly responsible for shaping the beliefs, motives, commitments, and predispositions of all the staff members from senior managers to the operators of the organization. Founder values exert a strong influence on the values held by other employees (Morley & Shockley-Zalabak, 1991).

Bottom level: basic underlying assumptions (BUAs)

The deepest level of organizational culture is basic underlying assumptions. They are unquestioned perceptions of truth, reality, ways of thinking and feeling developed through repeated successes in solving problems over extended periods of time.

Since BUAs are unconscious, taken-for-granted beliefs, perceptions, thoughts, and feelings, they are not directly observable and instead must be inferred from what can be seen and heard in organizations. The visible and audible manifestations of culture are seen in artifacts and espoused values (Schein, 1992).

Schein’s model has influenced many culture researchers to think in terms of distinct levels of culture and presents a systems perspective on culture. But the definition by Schein only concerns the bottom level, neglecting the other two indiscernible levels; therefore, organizational culture is defined in this study as:

a dynamic process of a set of espoused values determined and powered by shared basic assumptions and embedded in and represented by observable artifacts and patterns of organizational behavior.

This definition not only includes all the three levels of organizational culture to give a holistic view but also illustrate the interrelations between them. The dynamic nature of culture is emphasized to indicate that organizational culture is not only structural elements of artifacts, values and basic underlying assumptions, but also a social construction that is undergoing continual reconstruction.

A unified organizational culture model, based on these of the extant literature, is developed as the theoretic framework for the study of organizational hero storytelling, leveling from the very observable artifacts through espoused values to the basic underlying assumptions (Figure 1).

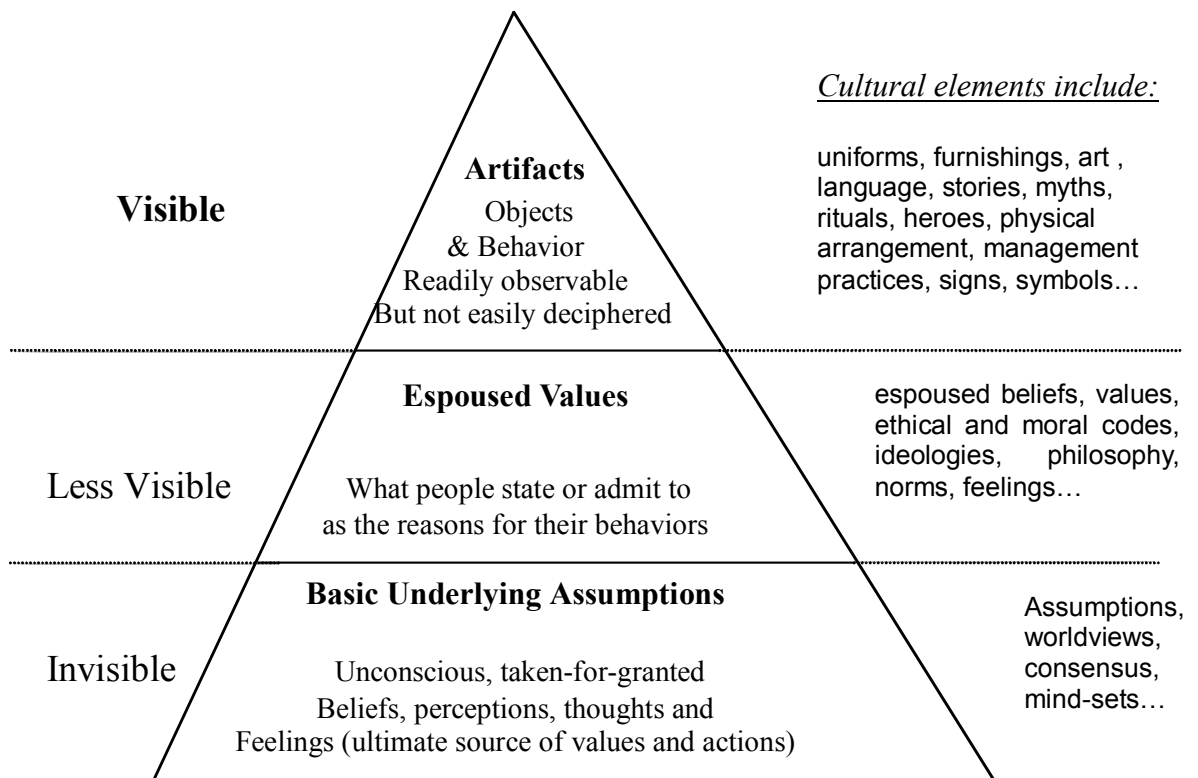


Figure 1 Unified organizational culture model adapted from Schein(1992), Ott(1989), Bounds et al.(1994)

METHODOLOGY

Fantasy theme analysis (FTA) was selected as the rhetorical method for the analysis of the organizational hero storytelling. Created by Ernest Bormann (1972, 1982, 1983, 1985, 1994), FTA is designed to provide insights into the shared views of group or organizational members. The theory was sparked by the works of R.F. Bales (1970), who found that some dramatizing messages, such as hero stories, caused a symbolic explosion in the form of a chain reaction. During this noticeable period, members became excited and the dramatizing messages “chained out” and resulted in a group’s sharing of a fantasy theme.

Bormann (1972) saw theoretical and practical possibilities in Basle’s discovery and mapped out a theory of communication—symbolic convergence theory (SCT)—and a method--- fantasy theme analysis—that can be applied to many kinds of rhetoric and discourse. Bormann (1983) defines communication as human social processes by which people create, raise, and sustain group consciousness. These processes are symbolic and shared. Organizational storytelling, symbolic in nature, is a process of human social interaction. Through sharing organizational stories, members in the organization come to create and sustain a common symbolic ground.

Procedures of Fantasy Theme Analysis

Analysis of the transcripts of hero stories and the storytelling process involved the following three steps:

1. Coding for fantasy themes from the stories

Once the materials were gathered, they were subject to a script analysis in which organizational life was treated as a drama with characters acting in scenes. As organizational heroes were the focus of this study, main attention was then paid to the character themes. All the statements concerning the characteristics of these heroes were sorted out and listed. Fantasy themes were then identified by categorizing the characteristics ascribed to such organizational heroes according to the semantic similarities.

2. Clustering similar fantasy themes into fantasy types

Having identified all the fantasy themes, the researcher was to determine which of the themes appeared to be major and minor themes. Those that appeared most frequently were major themes that became the subject of the analysis. Once the various fantasy themes which had emerged from an analysis of the manifest content of the interview transcripts were defined, the researcher set about formulating the fantasy types about these corporate heroes.

3. Deciphering important aspects of organizational cultures

Important organizational cultural elements--espoused values and basic underlying assumptions--from these fantasy themes and types about these organizational heroes were elicited in an attempt to map out a clear and panoramic view of organizational culture in these two Chinese companies.

The espoused values are what people will admit to. Basic underlying assumptions are what people actually believe and feel and what determine their patterns of behavior, whether or not they are aware of them (Ott, 1989). In Argris and Schon's (1978) words, the difference here is between "espoused theory" and "theory-in-use" (p.11). Therefore, the espoused values most manifested in the identified fantasy types were sorted out from the interviewees' explicit statements and the most general basic underlying assumptions were inferred and revealed from the identified fantasy types of organizational heroes.

Data Collection

In this study, hero stories and storytelling in two very successful high-tech corporations in Southwest China, CH and TP, are the rhetorical artifacts to be studied because "a good way to discover the symbolic world of a group is by collecting dramatic messages, stories, histories, and anecdotes that they tell and retell" (Bormann, Howell, Nichols, & Shapiro, 1982, p.83). In-depth interviews are used as the major data collection method because interviews are "the sites for the production and distribution of narratives" (Czarniawska, 2002, p.735) and allow members' own symbols to "carry us beneath the objective surface of organizational life, into the underlying value structure and feelings inherently there" (Dandridge, 1983, p. 71). Brown (1985), Martin (1982), and Wilkins (1983) have shown that interviews with organization members are good ways to obtain organizational stories.

The storytelling process constitutes other important aspect of organizational hero storytelling. It allows direct access to the scene and context of the telling and provides background as well as complementary information. Therefore, field observation is to be adopted to record some important nonverbal cues such as the facial expressions, paralanguages such as laughter, sighs, hesitations and the like in the storytelling process.

Altogether 29 subjects, 15 from CH and 14 from TP, were selected to participate in two-hour, open-ended and semi-structured interviews on the following respondent selection criteria:

(1). education levels; (2). job/ position; (3). seniority; (4). gender

These criteria were set for the purpose of representativeness of major employee demographic groups to include their perspectives or views.

All the interviews were tape-recorded and transcribed for later analysis.

FINDINGS

Among the 29 interviews, 17 (59%) claimed that organizational heroes existed in their companies. 7 (24%) acknowledged the existence of corporate heroes in a relative sense and 5 (17%) didn't think that such heroes could be found in their organizations.

For this study, stories were defined as any sequence of events connecting in time or casually related, involving one or more organization-related characters, which took place in a setting somehow related to the organization. According to this definition, 159 hero stories were isolated from the interview transcripts. Among these stories, 80.6% heroes were CEOs of the companies, 10% were department heads and the other 9.4% were ordinary employees in these two organizations.

From these percentages we could safely draw the conclusion that most corporate heroes were company CEOs and department heads. Ordinary employees comprised only a small portion of the percentage.

Fantasy Types of Organizational Heroes

All the statements concerning the characteristics of organizational heroes were sorted out and listed. Fantasy themes were then identified by categorizing the characteristics ascribed to such organizational heroes according to the semantic similarities. For example, words and phrases such as *courage*, *bravery*, *fearlessness*, *dare to*, *venture to*, *have the courage to* were grouped into one fantasy theme labeled *courage*. These items were further categorized, if any, and listed in order of the judged magnitude.

Once the various fantasy themes were defined, the researcher set about formulating the fantasy types about these corporate heroes. A careful review of the identified fantasy themes revealed the following five fantasy types about organizational heroes (table 2):

Fantasy type	FT categories	Frequencies*
Charismatic leaders		82
	<i>career passion</i> passionate (18), ambitious (8)	26
	<i>courage & foresight</i> courageous (17), foresighted (6)	23
	<i>vision communication</i> good at public speaking (8), promoting timely slogans and new ideas (7), progressive thinker(6)	21
	<i>cultural traits</i> well-educated (5), cares for employees(4), modest (3)	12
Business executive talents		54
	<i>Market orientation</i> highly disciplined management (14), best service and quality products (11), information hunting (6), respect for experts and expertise (4)	35
	<i>strategic planning</i> long-term strategic plans(12), opportunity catching (7)	19
Politicians		31
	<i>excellent Guanxi with government officials**</i>	17
	<i>strong support from local governments and banks</i>	8
	<i>acting as government officials themselves</i>	6
Autocrats		26
	<i>centralization of power</i> strongmen (11), yes-men dare not say no to them (6), refusing criticism and suggestions(4)	21
	<i>short-tempered and imperious</i>	5
Role model		23
	<i>people-oriented management</i> closer affinity with employees(8), ready to listen to opinions from employees(5)	13
	<i>social responsibility</i> conscience (4), public welfare (repay society) (4) creating better career environment for employees(2)	10

* In order of magnitude.

**No subcategories classified.

Table 2 Frequencies of fantasy type and category of organizational heroes

Type one: charismatic leaders: these organizational heroes possessed certain charismatic personal qualities to distinguish themselves from others. They were believed to be career passionate and ambitious, courageous and foresighted, eloquent and inspiring, well educated, modest and caring for their employees.

Type two: executive talents: these heroes were great executive talents. They were market oriented and able to catch opportunities and make not only wise and

long-term strategies but also short-term tactics for their ever-expanding organizations. They were always eager to learn relevant technical and managerial basics, to hunt for information and to respect for experts in their decision-making because they fully understood the cruel reality that no mistake but victory was allowed because no company today could afford wrong strategic planning in the heavy market competition.

Type three: politicians: these heroic figures exhibited special qualities of politicians. They were good at creating and maintaining excellent *guanxi* (personal intimate relations) with government officials for their strong support. They also showed great initiative in acting as government officials themselves to establish wider *guanxi* networks since *guanxi* today was still vital for the smooth and successful business operation in China.

Type four: autocrats: with the establishment of their fame as organizational heroes, these people became the core of their companies. They then tended to centralize both administrative and managerial power and to do things by their own definition. They became more and more autocratic, short-tempered, high-handed and formidable. As a result, they listened to no criticism and their decisions met no challenge, which was widely regarded as a potential threat to the future development of the organizations.

Type five: moral models: this type of organizational heroes as moral models reveals organizational members' further wish about current heroic figures. Organizational heroes should adopt people-oriented management because only the employees were fundamental to the successes of the organizations. They should establish closer affinity with subordinates and be ready to listen to their opinions, suggestions and even criticism. They also should shoulder the responsibility of repaying society and creating better career environment for their employees.

The combination of the five fantasy types has formulated the rhetorical visions of organizational heroes as a result of symbolic convergence and provided an interpretation of the social reality of organizational culture in the Chinese context.

Deciphering Organizational Culture

After the successful identification of the fantasy types about organizational heroes, the research set about deciphering the most important cultural elements: the espoused values and the basic underlying assumptions of the organizational culture.

Value systems most reflected in the fantasy types

Every organization has a set of values whether it is realized or not. They underpin organizations like the foundations of a house and should be known, consistent, practiced and honored. Organizational values in these two Chinese companies were deciphered from the five fantasy types about organizational heroes. By understanding key values in them, we could gain insight into basic characteristics of their organizational cultures.

Values most reflected in Fantasy Type One: innovation, diligence and respect for knowledge

The personal attributes revealed in fantasy type of organizational heroes as charismatic leaders were values deemed important for such heroic figures. It was proved true in this study that personal values cherished by these heroic leaders were transformed into organizational ones. The following espoused and also widely shared values were included into the organizational value system revealed by interviewees' responses regarding what they had learned from corporate heroes.

Innovation: the courage to take risks, foresight to promote right products and services to the right markets at the right time, and the unconventional ways to face competitive markets were not only attributes of these heroes admired by their followers but also a practiced value on the organizational level labeled as innovation. “We know quite well that new markets are created by innovative products and services. CH is exerting itself in tech innovation, market innovation and management innovation so as to strengthen its competitive power. Innovators that have brought forth great financial gains to the company are rewarded in huge monetary terms.”(CH12)¹

Diligence: many interviewees admitted that they learned the importance of diligence to the success of their careers from the examples of these heroes. As one interviewee put it this way: “working in CH, though a state-owned company, is not easy. If you are not diligent in your work, you will suffer and even be fired. I am sure that those who can stand the hardship of working here will have no problems working elsewhere.”(CH8)

Respect for knowledge: interviewees at both companies labeled their leaders “scholarly entrepreneurs” and regarded knowledge as one important element of charismatic leadership. These corporate heroes, too, paid great respect to experts and expertise. They could scold senior managers but seldom or never the technicians. Both companies set up training colleges of their own in order to bring out skilled workers to meet the heavy competition. The notion that technology was the No. 1 productivity was widely shared and respect for knowledge was widely practiced. This was in accord with the traditional Chinese value.

Values most reflected in Fantasy Type Two: competition and efficiency

In leading their organizations towards dramatic economic success, these corporate heroes were also very successful in instilling the value of competition and value of efficiency into the minds of their followers.

Competition: almost all the interviewees were quite aware of the intense competition in today’s world. Their organizational heroes always tried to make them bear in mind that only the fittest would survive the market competition. “Market competition is like sailing against the current: either you keep forging ahead or you keep falling behind. Thus, new aims are set all the time to stimulate us employees to take new actions, deal with new situations and make new progress. Competition not only exists between our company and our competitors in the marketplace but also exists between divisions and individuals within the company.” (CH13)

Efficiency: high efficiency was emphasized as a means to survive the intense market competition. Two factors, in particular, were mentioned in close relationship with high efficiency: product quality and effectiveness. “We emphasize quality values. Our slogan is: product quality is supreme and customers are superior. So we are constantly improving the quality of our products. We are trying to reach the highest level in quality control.” (CH7) “Our CEO often teaches us that first you must do things right before you do them well. Doing things right, in his words, concerns effectiveness, but doing things well concerns efficiency. So effectiveness is the premise of efficiency. In my opinion, these organizational heroes are essential to the success of the company because they guarantee that we do things right by making right strategic planning for us. Then we middle level managers will strive hard to

¹ The numbered interviewee who made the cited remarks is indicated in the bracket just following his/her quotations, identifying the respective company.

make sure that we can do things well with our subordinates in carrying out their strategies”(CH3).

Values most reflected in Fantasy Type Three: human relationships

Corporate heroes exhibited great talents of politicians in establishing harmonious environment for the development of their companies. The importance of *guanxi* with government officials, customers and clients was fully realized as one of the best means to organizational survival in and adaptation to its environment. The traditional value of harmony was appreciated, practiced and enjoyed in the process of both internal integration and external adaptation.

Human relationships: harmony is a driving force underlying Chinese culture. Creating and keeping harmony with both external and internal environments were highly valued by the interviewees. Statements of this dimension included “harmony”, “balance”, “communication of feelings and emotions”, “emotion investment”, “friendship”, “face”, “cooperation”, “team spirit” and “internal cohesiveness”. “Only if you are at harmony with yourself, your peers, and your environment can you achieve success.” (TP6)

Values most reflected in Fantasy Type Four: management democracy

While most stories about these corporate heroes described them and their actions as laudable or positive, still others narrated undesired or negative events about these figures. These negative as well as positive stories were very useful in that values generally taken for granted could be illustrated by their transgression (Meyer, 1995).

Management democracy: Ralph Waldo Emerson (1841) argued that an institution was usually the lengthened shadow of one man. But it was perceived dangerous for the corporate heroes to be autocratic, especially in organizational decision-making. From an economic and political standpoint, participatory management was both inevitable and ethically superior to authoritarian alternatives today (Collins, 1997). Management democracy was viewed as a system of governance that encouraged individual contributions to important organizational choices (Cheney, 1995). One interviewee expressed the concerns and worries about such authoritarian leadership for them all: “it is dangerous to place the fate of the company in the hands of one autocrat. His arrogance will most probably lead to wrong decisions if his yes-men dare not air different opinions during the decision making process. In today’s business world, very few companies can afford wrong strategic decisions. As we know that three heads are better than one. So the management democracy is vital in marching the company to great success.”(CH 11)

Values most reflected in Fantasy Type Five: people-orientation and dedication to the society

It goes without saying that the ideal attributes which the extant organizational heroes were said to be lack of constituted the important elements of espoused values cherished by organizational members. The value of people orientation and the value of dedication to the society were identified in the fantasy type of ideal organizational heroes.

People-orientation: interviewees were not satisfied with their existing relationship with the management. They looked forward to a more people-oriented management that could truly value their feelings and opinions. “Although it is openly stated in the company that people are the foundations of the excellent performance, we don’t feel that we are valued. We need cares, respect and understanding. As far as I am concerned, I don’t wish to become very rich in the company but to be provided career opportunities to develop my potentials.”(CH 13) “The company boasts of employees as foundations and technology as soul. But it is a pity that we have not

been rewarded based on our work performance and we have not been provided the platform for our own development. We sincerely hope that we are treasured for our abilities.”(TP8)

Dedication to the society: interviewees in the state owned company took great pride in working in a well-known modern enterprise in China. “Every countryman should shoulder the responsibility of building our motherland into a prosperous one. We are on the fast track of development now and we are working hard to dedicate ourselves to the bright future of our country.”(CH 3) “Private entrepreneurs should not only absorb themselves in accumulating wealth for themselves only. They should also remember to repay the society. Many private owners shout loud slogans and vow to dedicate themselves to the prosperity of the country by running successful enterprises. But what they are doing is quite another thing. Some of them dodge taxes or even seize shareholders’ money by cheating.” (TP9)

The organizational value systems in these two Chinese companies, thus, consisted of the above-identified nine cultural values: innovation, diligence, respect for knowledge, competition, efficiency, human relationships, management democracy, people orientation and dedication to the society. They served the important functions of internal integration and external adaptation of the organizations.

Basic underlying assumptions embedded in the fantasy types

Organizational values are what organizational members admit to. Basic underlying assumptions are what members actually believe in and feel right about, which determine their patterns of behavior, whether or not they are aware of them (Ott, 1989).

Many powerful ways do exist in which embedded assumptions organizational heroes hold about the ongoing daily life of their organizations. “Through what they pay attention to and reward, through the role modeling they do, through the manner in which they deal with critical incidents, and through the criteria they use for recruitment, selection, promotion, and excommunication, they communicate both explicitly and implicitly the assumptions they really hold.”(Schein, 1985, p.243) Thus, there should be many basic underlying assumptions to guide organizational members’ behavior. This study, however, set out to uncover the most general BUAs behind the four identified fantasy types about organizational heroes by looking beyond the espoused values for underlying patterns of unspoken cultural assumptions. No basic underlying assumptions were to be revealed behind Fantasy Type Five: organizational heroes as moral models because the visions were not “theory-in-use”, “the way we are” or “the way we do things around here”. They were only future expectation from interviewees about these heroic figures.

BUA embedded in Fantasy Type One: company success depended on powerful and charismatic leaders.

“Behind every world-class enterprise stands a giant. Konosuke Matsushita was behind Matsushita. Lee Iacocca was behind Ford. Kun-Hee Lee is behind Samsung. Now Mr. N is behind CH, though CH is not so famous as Ford, Matsushita and Samsung” (CH4). The saying “no N, no CH” was widely shared by interviewees. Almost all interviewees agreed that huge successes of their organization depended on powerful and wise leadership, especially at the beginning of their blast-off.

“We suffered from the state-owned enterprise syndromes at the beginning of the transaction, too. We were confined by the stale economic mechanism, too. We faced the capital shortage and talent shortage, too. But why has only CH survived the market competition and achieved the status of King of Color TV in China today while

others haven't? The reason is simple: we happened to have Mr. N" (CH6). The fact that "private enterprises spring up and disappear almost every day in China" (TP13) while TP was among the few every successful ones also indicated the importance of the strong and wise leadership of Mr. S. "These people are rare species in China" (CH6).

This dependency could also be inferred from the roles these heroic figures play in the development of their companies. They were hailed as "source of confidence", "spiritual underpinning", and "organizational soul" that organizational members could turn to whenever there were crises in their organizations.

This dependency of charismatic leadership for company excellence accounted for the public worries from some interviewees that no sign of such heroic leaders could be foreseen in place of old heroes. The charisma of these organizational heroes came from not only their personal qualities such as career passion, courage, foresight, and eloquence but also strategic planning abilities and politician manners in dealing with external adaptations. "As China is still lack of mature economic rules, such all-round talents like Mr. N are guarantee of success but, to be frank, they are really hard to find. It is also a great challenge for Mr. N to find the right successor" (CH 12).

This dependency on charismatic leaders accorded with the traditional Chinese perception: the prosperity of the country depended on wise emperors. As there seemed still a long way to establish modern enterprise systems in China, this dependency could be one of the basic underlying assumptions in the near future.

BUA imbedded in Fantasy Type Two: performance was king.

Efficiency, expediency, utility, parsimony, simplicity, and practicality were widely propagated and organizational performance was regarded as the most important thing in these two organizations. Firstly, the performance, in another word, the sustained financial success, was the supreme criterion that distinguished these two organizations from many others in the industry and in the Chinese business world. Secondly, all organizational members were called on to go all out for the best organizational performance and these who performed the best were rewarded while these who did poorly punished. Thirdly, the managers were well aware of the famous saying by Deng Xiaoping, the late Communist leader who opened China's economy to the outside world, that "black cat or white cat, it is a good cat that catches mice". So innovation was espoused as the most important value and all the policies were made, strategies and tactics planned and measures taken for the best organizational performance. Fourthly, product qualities, customer priority, market-orientation and technology innovation were clearly publicized and regarded as powerful tools to survive the tense competition so as to be the best in their industrial domains. Lastly, these corporate heroes were respected and honored just because their organizations had achieved great performance under their leaderships. Therefore, the basic underlying assumption that organizational performance was king became "taken for granted" and unquestioned because they were reinforced time and time again as the organizations dealt with internal and external problems. Uniformly held by all the organizational members, it undergirded all organizational activities.

BUA imbedded in Fantasy Type Three: guanxi with government authorities was vital.

Both companies tended to emphasize attributes of primary human relationships such as caring, trust, friendship, loyalty, comradeship, social compatibility, brotherhood, sisterhood, and humaneness. *Guanxi*, a system of interpersonal relationships that has long historical and cultural roots in China, was fully understood

and utilized by these two companies. The basic underlying assumption that *guanxi* with government authorities was vital was taken for granted and almost out of the consciousness of organizational members. But it was not too hard a task to reveal such BUA from the following phenomena by examining the words and actions of these corporate heroes:

Firstly, the importance of *guanxi* with government authorities were never questioned and challenged. It became an unspoken cultural assumption in these two companies. For instance, TP even stipulated clearly in their official documents that every division and every member should pay attention to good *guanxi* with all levels of government officials.

Secondly, these corporate heroes were very good at creating and maintaining good *guanxi* with government officials, banks, clients, retailers and suppliers. “Without *guanxi* with influential government officials, he (Mr.N) could not have been appointed as director of the state-owned CH because CH’s biggest boss is the government.”(CH 3) “*Guanxi* often extends beyond organizational level and exists between individuals at a personal level on an ongoing basis. TP has benefited a great deal with the right *guanxi* between our boss and high rank government officials and other influential people.”(TP8)

Thirdly, business was in a way politics in China. In order to keep pace with the government’s policy changes, which were regular and frequent, these corporate heroes showed strong interest in being selected as government officials. In doing so, stronger and wider *guanxi* networks could be established for the benefits of their organizational development.

Fourthly, *guanxi* even worked well within these organizations, especially at the state-owned CH. People who had good *guanxi* with the CEO could more easily become a manager of a business division. Employees who had good *guanxi* with department heads were more likely to be nominated as a model worker or allocated a larger and better apartment. “*Guanxi* is very much one of ‘you scratch my back, and I will scratch yours’. It boils down to such phenomenon as appointing people by favoritism instead of on their merits. Every one of us knows that, but no one can change it. It is a unique Chinese cultural phenomenon.” (CH2)

BUA imbedded in Fantasy Type Four: hierarchy was necessary to maintain internal integration.

Organizational heroes as autocrats simulated the leadership style of family patriarchy. The paternalistic leaders assumed an authoritarian posture and expected and received compliance, obedience, and loyalty from subordinates so as to achieve the internal integration among organizational members. They sustained a wider and wider social distance between themselves and their followers and the hierarchy was accepted as natural, normal, paramount and unchallengeable.

It was understandable for such patriarchal leading style to be practiced in the private-owned companies because many of them in China were actually familistic, small-scale enterprises. Therefore, the owners of private enterprises tended to regard themselves as patriarchs. “The companies are theirs and they have the freedom and rights to adopt any style of leadership. If employees don’t like it, they can leave” (TP7).

But the hierarchy existed and was respected in the state-owned company, too. The reasons of such phenomenon might be inferred from the interview transcripts as follows:

Firstly, the hierarchy in the state-owned enterprises was the miniature of the Chinese hierarchical and bureaucratic political and economic systems. Government is still the biggest boss behind the scene. The state-owned enterprise syndromes were resolved a lot after the establishment of market economy but the centralization of the management power remained the same. “We are called on to rally around the management team with Mr. N at the center just as the Chinese people are called on to rally around the Communist Party with Chairman Jiang as the core”(CH 8). Hierarchy was used as the means to achieve the internal integration.

Secondly, “the authority of Mr. N comes from his continuous successes in the past”(CH6). He had managed to remove various oppositions and ventured to carry out his plans at the critical moments of the development of CH and had finally proved right. The huge successes made him stick to his own way of doing things while the subordinates aired fewer and fewer different voices. The outcome was that alternative and challenging views were not welcome and even interpreted as a challenge to his authority or an act of disloyalty. Thus, an autocrat came into being.

Thirdly, this hierarchy did function well as an internal integration means because it guaranteed his orders to be carried out “whether we understand it or not”(CH13). But “if his decision is wrong but has to be carried out without the slightest discount, failure is one hundred percent certain”(CH13). Modern enterprise management systems and democratic decision making procedures were seen as effective countermeasures by some interviewees.

In summary, nine organizational cultural values: innovation, diligence, respect for knowledge, competition, efficiency, human relationships, management democracy, people orientation and dedication to the society were identified and four basic underlying assumptions were revealed: company success depended on charismatic and powerful leaders; performance was king; *guanxi* with government officials was vital and hierarchy was necessary to maintain internal integration in these two Chinese organizations. The identified espoused values and basic underlying assumptions together formulated a holistic picture of the most important aspects of organizational cultures in the Chinese context (Figure 2).

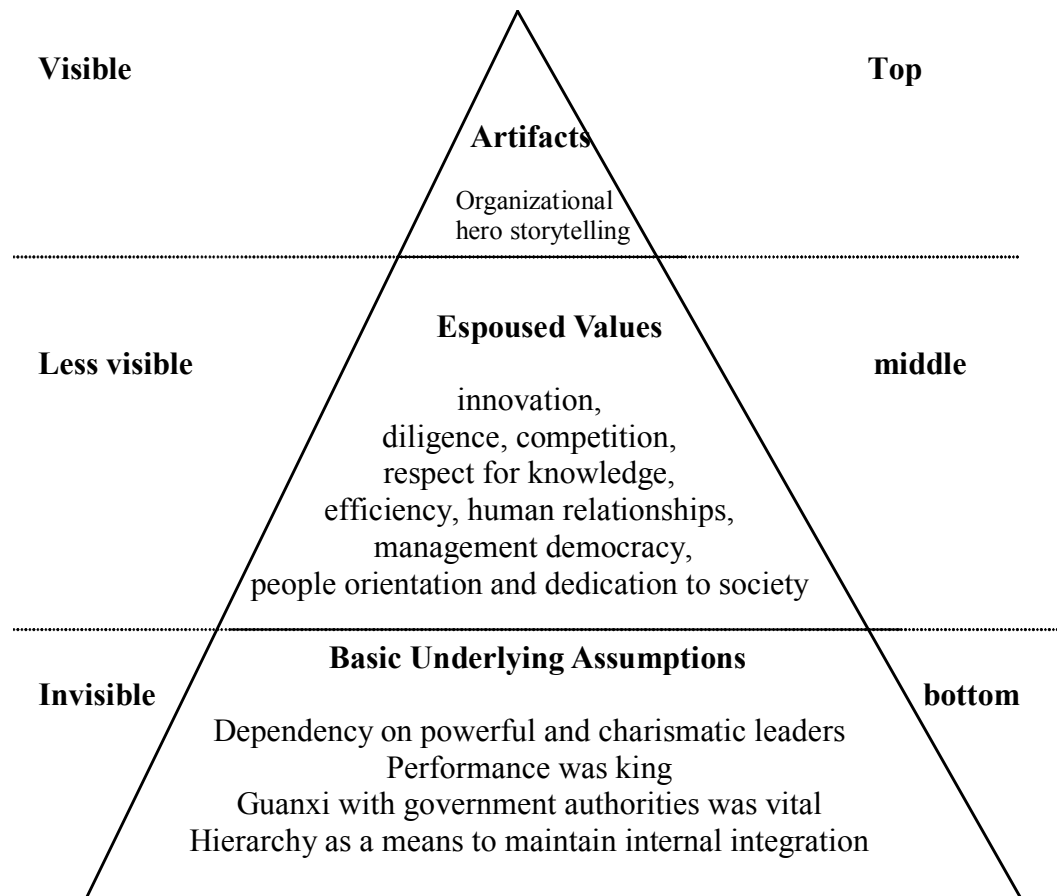


Figure 2 important aspects of org. cultures in the two Chinese companies

CONCLUSION

This study approached organizational culture through one of the most important but under-explored cultural phenomena that held rich promise within organizations: hero storytelling. Schein's three-level hierarchical model of organizational culture provided a useful typology for classifying the elements of organizational culture into useful groupings. The potential contribution of this study to the organizational culture research is to have provided an operational way of eliciting the espoused values and basic underlying assumptions from the identified fantasy themes and types about organizational heroes through a rhetorical approach, a fantasy theme analysis in particular.

This study is also of practical value because the research findings document the value development and the basic underlying assumptions that determine and power these value systems in the Chinese companies during this time of rapid economic development. The knowledge of Chinese corporate cultures today, the understandings of the cherished values and basic underlying assumptions undergirding all organizational activities will help both Chinese organization administrations and foreign counterparts seeking business opportunities in China in

finding feasible and effective ways to make better internal integration, external adaptation, and improvements in the establishing their organizational cultures.

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Sufficiency and super-size me

— Excess and Consumer Marketing

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Abstract

There are areas where it is clear that more is not for the better. Excess of fat food leads to excess weight for children, which in turn can lead to diabetes and heart conditions. Excess of carbon dioxide in the atmosphere leads to the green house effect, which causes flooding, diseases, and so forth. Excess of waste ends up in landfills, and leads to pollution of air, water and soil.

Excess in one part of a supply chain can also lead to impoverishing another side of the chain. More fish on the consumers plates might lead to degradation of the fish population. More furniture, newer furniture, more fashionable furniture, might reduce the total resource base of wood.

This paper aims to analyze the role of marketing in a context of excess and sufficiency.

Introduction

It is disputable if *more* always renders more satisfaction, and if excess is morally defensible. Access to excess is however the logic of the market, and the underlying aim of consumer marketing.

Sufficient can be seen as a mirror to excess, but maybe excess takes off where sufficiency ends? There are areas where it is clear that more is not for the better. Excess of fat leads to excess weight for children, which in turn can lead to diabetes and heart conditions. Excess of carbon dioxide in the atmosphere leads to the green house effect, which causes flooding, diseases, and so forth. Excess of waste ends up in landfills, and leads to pollution of air, water and soil.

“Buy three, pay for two!” “Buy now and get a discount!” “Buy more and save more!” The messages promoting excess surrounds us every day. There are also more subtle messages promoting excess. Your clothes are too old; you are not good enough. You must put on more and better make-up, or else, no-one will love you. Your car is too small; no-one will see you. Bigger, better, cheaper, more; must buy more, must buy now. Is there any limit to excess? Marketing theory, however, argues that marketing is *a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others* (Kotler et al, 2005: 6). However, in the 2005 edition of Kotler’s marketing book include some of the criticism against the subject:

“ Marketing’s *impact on individual consumer welfare* has been criticised for its *high prices, deceptive practices, high-pressure selling, shoddy or unsafe products, planned obsolescence and poor service to disadvantaged consumers*. Marketing’s *impact on society* has been criticised for *creating false wants and too much materialism, too few social goods, cultural pollution and too much political power*. Critics have also criticised marketing’s *impact on other businesses* for *harming competitors and reducing competition* through acquisitions, practices that creates barriers to entry, and unfair competitive marketing practices”. (Kotler et al, 2005: 200)

Even though there is now a display of criticism towards marketing, *reflection* about the own subject is still lacking. Further what is so far being left unexplored within the field of consumer marketing theory is how consumer marketing is causing excess which is incommensurable with the natural laws of bearing capacity in human- as well as natural systems.

This paper aims to analyze the role of marketing in a context of excess and sufficiency. We will explore the relation between consumer marketing theory and the physical laws of systems’ bearing capacity. Drawing on critical method (Alvesson & Skoldberg, 1994), we aim to shed light upon the lack of reflection in consumer marketing theory and the possible risks thereof.

Sufficiency - mirroring excess

Sufficient can be seen as a mirror to excess, but maybe excess takes off where sufficiency ends? There can also be a state of insufficiency. Those three quantities can be used to link consumer marketing to sustainability, and we intend to discuss those quantities in relation to human beings and ecosystems.

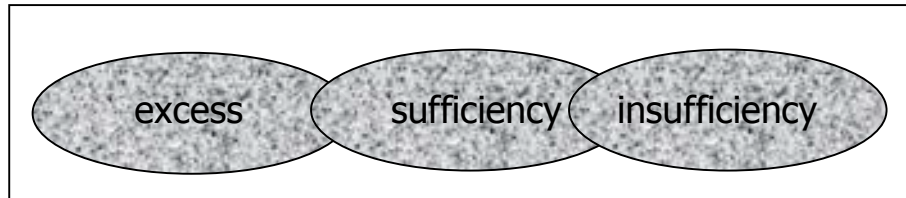


Figure 1: Insufficiency, sufficiency, and excess

Excess and Sufficiency in the human body

The exact quantity of sufficiency is not often a clear cut. In a human body it might be easier to find the excess level of cyanide, than the excess level of water, even though too much of either can lead to death. As an economist would put it, what is the amount of a substance, where the marginal utility of one more unit turns negative?

A present societal debate is around excess levels of sugar and fat, leading to unhealthy trends for people. That is, excess levels of fat food, contributes to increased risks lead to diabetes and heart conditions. The same connection is familiar around some chemicals, and heavy metals. As an example, there are recommendations from the National Food Administration, for pregnant woman in Sweden, on excess levels of organic pollutants in fish.

List of possible excess levels organic pollutants in fish that might have severe negative impact on the fetus:

Give up:	Reason
Perch	Could contain organic pollutants
Raw Spiced Fish	Risk of harmful bacteria.
Pike	Could contain organic pollutants
Pikeperch	Could contain organic pollutants
Burbot	Could contain organic pollutants
Liver from Pike and Burbot	Could contain organic pollutants
Raw Sellfish	Risk of harmful micro organisms
Big Halibut, Swordfish, Shark, Ray, Tuna (not canned)	Could contain organic pollutants
Vacuum packed smoked fish	Risk of harmful bacteria.
Eel	Could contain organic pollutants

(<http://www.slv.se/>, 2005-05-24)

Excess and sufficiency is not only mirroring in terms. There is also a global mirror circling around the same issue. At the same time as children in one part of the world have excess of some substances, other children in other

parts of the world, have insufficiency supplies. (Kallio, 2004) At the same time as people in the western world increase their material purchases, due to lower prices, there are consequences in Asia. The exploding industrialization, contributes to higher energy use, with a technology that increase the levels of pollution. A few people enjoy their excess bonuses, at the same time as workers connected to the same supply chain receives an insufficient payroll.

The question about peoples drive for excess has been brought up as a left over from the stone-age, were people constantly had to search for food and shelter in order to survive.

Reflection 1:

“Does avoiding insufficiency leads to excess instead of sufficiency?”



To sum up, the human body can be exposed to excess levels of substances, that is dangerous for the body's system. Paradoxes in global supply chains, can turn one human beings excess of products to another human beings insufficient possibilities to sustain their life, or exposure to excess levels of dangerous substances.

Excesses and sufficiency in the eco-systems

For ecosystems, excess of a substance can lead to disturbance in its cycles. Human excess can also lead to decline in ecosystems, which can be termed excess-use: *The unbounded pursuit of consumption has also exacted a heavy cost, however, a cost that is now growing at least as fast as consumption itself. Consumption today absorbs vast quantities of resources, many of which are now being used far beyond sustainable levels* (Halweil and Mastny, 2004).

The present development of the ecosystems is much more related to excess than sufficiency. According to a newly published report from the Millenium Ecosystem Assessment, two thirds of the services provided by nature to humankind are in decline worldwide. For example; 35% of mangroves and 20% of the coral reefs have been destroyed since 1980, and at least a quarter of marine fish stocks are overharvested. (Millenium Ecosystem Assessment, 2005)

That there is a limit to economic growth has been elaborated on, ever since the first report from the Club of Rome (Hirsh, 1978; Larsson, 2004). Sufficiency has been brought up as an alternative if we reach for sustainable development (i.e. Kallio, 2004; Young and Figge, 2004; Lamberton, 2005), and has been expressed in ideas of alternative economic ideas, such as Buddhist Economy (i.e. Schumacher, 1973; Welford, 1997: 221-225).

In summary, it is clear that there are limits where; use, consumption, and exposure turns to excess levels, and threatens a system. Let us now turn to how consumer marketing contributes to excess in those parameters.

Reflection 2:

“Is excessive consumer marketing leading to insufficiency in the long run?”



The purpose of marketing - excess or sufficiency?

The purpose of marketing is to satisfy needs. However, the back-side of marketing is that it also contributes/ access/ promote /stimulates excess. That consumer marketing has impact on societal values has been pointed out in several texts critical to marketing.¹ (e.g. Klein, 2001; Berger, 2004) In some parts of the marketing literature this is outspoken, in other parts denied. We will now elaborate on how marketing, to put it nicely, happens to contribute to excess. Consumer marketing has been criticised for lacking reflexivity:

“Indeed, it is probably fair to say that, of the management specialisms, marketing has been one of the least self-reflective and, seemingly, the most self-satisfied” (Alvesson & Willmott 1996: 119).

Within the marketing theory, certain concepts such as *exchange* or *fulfilling consumer’s needs* are further criticised for simplifying complex situations and not studying possible negative *consequences* from marketing: *Identifying exchange as its central concept, marketing provides a deceptively simple, easy-to-understand formulation of the complexities of human interaction and neglects to discuss how structure of domination and exploitation shape and mediate relationships* (Alvesson and Willmott, 1996: 119-120).

There is a general acceptance in marketing that the ultimate aim of marketing efforts is profit maximization for a single firm, or some distant anonymous shareholders. The nice story is that, this will magically lead to the best of the worlds in a Candidian fashion. The translation comes from assumptions in neoclassic economics were fighting spirits, and severe competition in the market place, will push companies to ever better qualities of products, and lower prices for consumers. This story is used in marketing to argue its benefits to society, at the same time as consumer marketing is developed to fight the very same market forces, reducing consumers’

¹ See also the film *Surplus* for some thrilling clips of excess manifestations.

rationality through loyalty and emotions. This fiercely battlefield of the market is i.e. articulated in five competitive forces (Porter, 1985; 1998).

“The goal of marketing is to attract new customers by promising superior value, and to keep current customers by delivering satisfaction.” (Kotler, 2001, p.2f)

Marketing principles leading to excess

Under this heading, we will show how consumer marketing contributes to excess, by differentiating excess, triggering excess, and accessing excess.

Differentiating excess

One way that marketing empower excess is through the principle of differentiation.

“The hope is that people will find one’s product not only need-satisfying but special.” (Bagozzi, 1991, p. 9)

As the quotation above notes, products are being developed to be apprehended as unique. The aim is to make the customer chose your companies product instead of another companies product.

Cost differentiation is a way to make people chose bigger, and more, then their intention was in the first place. When the product, or as often called – offer - can be found in different sizes, people tend to buy a slightly bigger one. The small product can then be placed in publicity, with a symbolically low price. When the customers get drawn into a purchase, with the low price in mind, they tend to “upgrade” their purchase to a bigger, and hence more expensive product. Very often, customers also add other products, or extras to their purchase. Plus menu’s, are an obvious example of the adding (which is illustrated in the documentary Supersize Me about McDonald’s routinely asking consumers to “super size” their menu).

Differentiation can also be done by adding other products or “free” samples to the initial product.

Triggering excess

“- This offer is only valuable today!” “- There are very few left in stock!”
“Here you go, taste a bit of a sausage!”

There are many different ways for consumer marketing to trigger a purchase. The ultimate goal is to stimulate emotions, emotions of wants, emotions of needs, arousing emotions of – can not live without, and must buy now: “It is all about reaching out to the reptile brain!, (says marketing

guru in a program in the Swedish Television, Dokument Utifrån, 2005-03-17)

There are several possibilities to lure the consumer into a purchase.

“The beauty of the free sample, however, is that it is also a gift and, as such, can engage the reciprocity rule. In true jujitsu fashion, a promoter who provides free samples can release the natural indebtedness force inherent in a gift, while innocently appearing to have only the intention to inform.” (Cialdini, 1993, p. 26)

By “giving” consumers a sample, the consumer feel obliged to do something back, that is – a purchase. Another way is to limit the timeframes, and claim exclusivity, around an offer.

“... people frequently find themselves doing what they wouldn't much care to do simply because the time to do so is running out. The adept merchandiser makes this tendency pay off by arranging and publicizing customer deadlines that generate interest where none may have existed before.” (Cialdini, 1993, p.197)

“Sellers use incentive-type promotions to attract new triers, to reward loyal customers, and to increase the repurchase rates of occasional users.” (Bagozzi, 1991, p. 666 !!)

Accessing excess

Accessing excess through marketing is to make, so called offers available all over, all-around, and always. When ever you feel hungry, or just have the desire to “grab a bite”, do not worry! The marketers have expended the access through different means. You can just slide in that door, to the closest seven-eleven, or shall we say, 24-24.

By increasing access, people learn that their desires can be satisfied at any moment of time. With constant access, there is no need to question an impulse, no need to resist. Just do it!

Reflection 3:

“More, more; better, better; bigger, bigger; faster, faster! – Is there any limit to excess?”



Defending excess in the name of needs

The subject of marketing has listened to criticism towards its methods, so it seems. A not to convincing way to appear completely neutral and innocent,

is to say that it only influence, not create. Consumer marketing does so by separating needs from wants. (Kotler, 1997; 2001)

“Marketers do not create needs: Needs preexist marketers.” (Kotler, 1997, p.9)

“Marketers, along with other societal influences, influence wants... Marketers influence demand by making the product appropriate, attractive, affordable, and easily available to target consumers.” (Kotler, 1997, p.9)

In the vocabulary of sufficiency and excess, then marketing only contributes to sufficiency, and not to excess? Let us take tobacco as an example. Marketers would proclaim that smoking is a preexisting need that is not influenced in any way by marketers or market activities.

So, techno dancing teens, with a free sample of cigarettes in their hand in an exclusive, “private” party, just had a genetically besed need to inhale around 4000 chemicals – **SuRe!**



(<http://www.courses.rochester.edu/foster/ANT226/Spring01/history.html>, 2005-05-13)

“These companies share an absolute dedication to sensing, serving and satisfying the needs of customers in well-defined target markets.” (Kotler, 2001, p.2)

The attempt to defend excess in the name of needs does not seem to be accepted by researchers critical towards consumer marketing.

“Instead of responding to people’s diverse needs and wants, marketing produces (people as) consumers as it divides them into market segments, thus producing social stereotypical categories (such as gender and youth).” (Alvesson: Introduction)

“... marketing is what marketers do” (Bagozzi, 1991, p.3)



No Comment!

To sum up, we explained how marketers differentiate excess, trigger excess, and access excess. The defense from consumer marketing is not convincing, certainly not when we take a look at the way consumer marketers use the reptile brain, and psychology of compliance, to lure the consumers into a purchase. How could the reptile brain be considered as separated from needs? Needs and demand have changed as new products and services have been developed. (Larsson, 2004: 27)

Reflection 4:

“Would it be considered insufficient to access sufficiency instead of excess?”



Narratives from Consumer Marketing

We take the freedom to look at publicity with critical and cynical glasses, with the wish to highlight its narratives, and contribution to excess.

“Marketing is the creation and delivery of a standard of living.” (Kotler, 2001, p. 5, in: reference 3)

What does the major actor, influencing societal values, tell us about how we should live, and what we shall like?

Pirate or princess

Princesses are rose, pirates are black. The society is divided by two types of creatures. One of them dance around in a flourishing utopia, and the others are all small aspirants for hells angels, covered up in chains and flames. Their interests and characters are genetically defined. This does not correspond to the science in the field of genetics, sociology or psychology. But who cares when the market rules?



Image 1: Pirate or Princess?

This way, it is impossible to use the same clothes for boys, and girls. That is, if a family first have a boy, and then a girl, they will have to buy a whole new set of clothes.

Appreciation

If you are a women, not on a constant diet, do not use at least fifteen different beauty-products, do not read three papers on diets and beauty a week, does not spend at least 20 percent of your salary on clothes, then how on earth did you think you would ever be appreciated? After all, we all know that being unhealthy slim and covered with chemicals and left-over from dead animals, is the meaning of life. At least if you are a woman.



Image 2: Appreciation

The excess contribution is obvious, it is not sufficient with a soap and shampoo, for your personal hygiene. It is also necessary with conditioner, color, dyeing, depilatories, hair foam, spray, hair dryer, skin cream, face mask, powder, lipstick, nail polish, remover, eyeliner, mascara, rouge, eye shadow, a face lift, night cream, day cream, cleansing milk, and more, and more... "Because your worth (Sh)it!"

SUrVival

If you are a male, you must better be aware of the only way to survive in this jungle called society. And as the roads get broader, and the tunnels longer, the only way to get from A to B, is to find the biggest car on the market. If some environmentalists complain about your private choice to spend a tremendous amount of money on petrol, answer them that there is room for at least six people in your rolling castle. But what ever you do, do not let any passengers ruin your day. It is the only way for you to continue your opportunistic ride, with your selfish ego, not giving a X about anyone, or anything else in this world. Also sprach der Markt!"



Image 3: SUrVival

The heavier vehicles, the more energy is needed to move the transportation. There is already an excess level of carbon dioxide going out in the atmosphere. On the ground, the contribution from the vehicles are excess levels of polluters, that causes cancer, allergies, asthma and other maladies.

Babyssecoir

It is cool to have a baby, as we speak, it is in fashion! It gives you a perfect reason to cover up your shoppoholic behavior. Do not forget to cover up your toddler in fashionable brands, and decorate with endless asseccoirs. What ever you do, do not use the same clothes for sisters and brothers. What is in today, will be out tomorrow, and your baby is just like another pair of shoes, or another cellular phone.



Image 4: Babysesoir: necessities for parents

As you know, cellular phones are in the first place a way to show your friends that you follow the trends on the market. It is the same thing with babies, they just need to be in fashion! It is not a question of using the same clothes as older brothers and sisters, it is not trendy. And for heavens sake, inheriting clothes, is just something that very few people in some distant exotic villages do.

As we have tried to illustrated by the examples above one can state that consumer marketing helps to strengthen stereotypes and uses psychological tricks to make the consumers think they will be able to live a more happy life through excess consumption. The triggering of the reptile brain by emotionally loading the messages, marketing can reach the goal of being not only brand building, but also sales creating.

Conclusion

We have in this paper explored the relation between marketing theory and the physical laws of system bearing capacity and can conclude that 1) marketing theory is teaching the future marketers to use *psychological* methods (such as appealing to the sense center of the brain – called the *reptile brain* which stimulates feelings to be created in relation to products) make consumers create desires and wants in a non-rational way. As long as marketers will use psychological tools in order to market products, there will be a speech distortion which is undemocratic since the consumers are not allowed to rationally consider the purchase due to the “emotional arousal” the marketing is creating (Habermas, 1970). 2) marketing is a non-reflexive theory which has not paid attention to the negative societal consequences (social costs both in terms of lack of natural resources and health issues); and 3) combining 1) and 2) we conclude that the relation between marketing theory and the physical laws of system bearing capacity is negative.

Both the ecological- and human bodies bearing capacities are showing signs of system collapses. In relation to the increased money spend on marketing and increases in sales, the relation between marketing theory and the physical laws of systems’ bearing capacity is an quite obvious relation: Marketing theory of today endangers bearing capacities of physical laws through being *non-reflective* and *addressing the reptile brain* of consumers leading to *unreflected emotional purchases* which in turn create *excess of human made products, waste and chemicals* and *insufficiency in terms of bearing capacities*.

Concluding Reflection:

“Is the obvious ways of differentiating, triggering, and accessing excess, due to excess consumer marketing not sufficient to ask: - Stop the excess, enough is enough, it is sufficient!”



List of reflexcessions

Reflection 1

“Does avoiding insufficiency leads to excess instead of sufficiency?”

Reflection 2

“Is excessive consumer marketing leading to insufficiency in the long run?”

Reflection 3

*“More, more; better, better; bigger, bigger; faster, faster!
- Is there any limit to excess?”*

Reflection 4

“Would it be considered insufficient to access sufficiency instead of excess?”

Concluding Reflection:

“Is the obvious ways of differentiating, triggering, and accessing excess, due to excess consumer marketing not sufficient to ask for: - Stop the excess, enough is enough, it is sufficient!”

Images

The images 1-3, are taken in Stockholm May 19. Image 4 is made up from two images found on the web.

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