# The Sociology of Global Organizations[1]

Professor Stewart Clegg[2]

School of Management

University of Technology,

Sydney (UTS)

PO Box 123

Broadway NSW 2007

Australia


Dr Chris Carter

School of Management,

University of St Andrews,

The Gateway, North Haugh,

St Andrews, KY16 9RW

Scotland

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[1] The chapter was conceived over Aubergine curries and Cobra beers at the incomparable K2 restaurant in Moseley in Birmingham, where Stewart holds a Professorship at Aston Business School. Many years before,the editor was taken by Chris to the hostelry next door for a curry, to demonstrate that McDonaldization had not triumphed everywhere. The chapter was written at the Vrije Universiteit of Amsterdam where Stewart holds a visiting chair and Chris was more than happy to visit at weekends.

[2] Stewart Clegg is also a Visiting Professor *and International Fellow in Discourse and Management Theory, Centre of Comparative Social Studies, Vrije Universiteit of Amsterdam, Netherlands and Visiting Professor of Organizational Change Management, Maastricht University Faculty of Business*

**Defining globalization**

Globalization can be thought of as worldwide integration in virtually every sphere (Parker, 2003:234), achieved principally through markets. For some theorists this amounts to the financialization of the everyday (Martin, 2002), while others see it in terms of the Americanization of the world (Ritzer, 1993). While Goran Therborn (2000a: 154; 149) has defined contemporary globalization in terms of a substitution of the global for the universal and of space for time, it is also necessary to consider mass in terms of globalization. What is overwhelmingly being posited as the global, in its mass, is American: American products, designs and politics dominate the global world – even when they are being manufactured by Japanese and Chinese companies. The American military dominates this world; it is the only global superpower. American consumption, especially of energy, dominates this world. If globalization is a process what is increasingly being globalized – globalizing – are North American values, products, force, and debt. America is not only hugely globalized; it is also massively indebted, with much of that debt held in Japanese banks. Thus, from a rational actor perspective, debt is unlikely to throw the behemoth off course as it would not be in the interests of a world so dominated; nor is the nature of that which is globalizing. However, what is global floats on a sea of oil and other energy resources that, according to some analysts, are at a tipping point in terms of exploitable reserves and existing price mechanisms. Future reserves will only be had at historically much higher prices.

It is perhaps better to think in terms of globalizing as a process rather than a noun. In a seemingly inexorable fashion, increasing parts of the world's social and economic life are being linked through a multiplicity of processes and flows which are linked in circuits of organizational production and consumption. In place of all

nations converging on one narrative of progress, based on western, liberal democratic models and functionalist bureaucracies, their will be plurality of possible ways of becoming modern. Businesses organized on a transnational basis are coordinated temporally by digital technology with dispersed branch offices coordinating production and marketing capacities (Hardt and Negri 2000). The organization of their forms across spatial relations remains the last frontier for business to exploit and conquer, given the virtual capillaries of instantaneous communication and trade embedded in the Internet (see Clarke and Clegg 1998). The Internet allows for far less centralized modes of organization – and, indeed, in the present state of anxiety in society about terrorist attacks, organizations are likely to adopt more distributed and network structures, with responsible autonomy in each of their nodal points – if only to be sure that the organization can survive a cataclysmic event such as 9/11. It is evident that organizations that have distributed systems and networked leadership will better survive catastrophe. After all, that is precisely what the Internet was designed to do. Hence, contemporary globalization is actually undermining the organizational forms that first made the conquest of the globe possible.

**The Antecedents of Global Organization**

The earliest forms of global organization were religious and mercantile. In terms of religion, the Roman Catholic Church extended its sway over all of Europe from its formal adoption as the religion of the Roman Empire during the fourth century AD. The church was highly centralized and hierarchical in its organization, and, in its actions, highly political. It sought monopoly of spiritual power both against paganism and other religious faiths in those territories that came under its influence. The other form of early globalized organization was also monopolistic: this was the Dutch East

India Company, founded in 1602 in Amsterdam. The Dutch East India Company became the wealthiest and largest mercantile organization the world had ever seen very quickly; by 1669 it had 150 merchant ships, 40 warships, 50,000 employees, a private army of 10,000 soldiers, and paid dividends of 40% per annum.

These religious and mercantile auspices, although significant, were not, however, to be the basis of twentieth century organization. These earlier enterprises sought to standardize their organization through monopoly; by the twentieth century standards were to be set by more competitive pressures as organizational forms emerged that seemed to best fit the environment of the new age of industrial capitalism. Increasingly, organizations globalized around a norm informed by bureaucracy, industrialization and strict subjugation and control of employees.

Modern industrially-based bureaucracies derived their organizing forms both from German developments in state organization and from US engineering achievements in the late nineteenth century steel industry. The former were codified by Max Weber (1978) as the 'ideal type of bureaucracy' while the latter were written up by Frederick Winslow Taylor, son of a wealthy Philadelphian family, as the *Principles of Scientific Management.* It was the convergence of these two forms gave the twentieth century its dominant organizational story of a bureaucratic superstructure and a highly routinized and standardized substructure. It was in the US, and then Germany, that the ingredients first came together. In the US there were practical antecedents in the slave plantations in the antebellum states of the south (Cooke, 2003), the military academy of West Point (Hoskin & MacVe, 1988) and naval discipline (Clegg et al, 2006). In Germany, during the last quarter of the nineteenth century, the new chemical industry saw the fusion of bureaucratic control with disciplined processes.

The development of industrial discipline is best known through the ways in which Taylor's ideas heightened concern with surveillance, discipline, and control of the body enshrined in what we now know as Scientific Management. Of course, Taylor was not operating in a vacuum but was at the hub of discussions – and practice – involving factory owners, supervisors and engineers. His own early experiments included using mathematical tables to work out the best way of using electrically powered lathes and redesigning shovels to enable men to move materials with greater efficiency (Jacques, 1996:105-106). Taylor took his homespun observations and discussions and codified, systematized and marketed them to have a far-reaching impact on society. As far as management thought is concerned Taylor marked the birth of modern management.

Taylor was convinced of the capacity of Scientific Management to deliver efficient organizations. As a corpus of ideas Scientific Management was of the zeitgeist and was to attract supporters ranging from American businessmen through to Soviet revolutionaries (Lenin is on record as a known admirer). What Taylor promulgated was an engineering theory of work (Shenhav, 1999) which had as its central target the body of the worker (Miller & O'Leary, 2002). As a factory insider possessing an intimate knowledge of the games that workers play, Taylor sought to eliminate possibilities for games that favored worker interests through appropriating the skilled knowledge that existed in the head of the worker and placing it in the codified records of management. Taylor's system of management strove to find the 'One Best Way' of performing a particular task – once this had been discovered it was not to be deviated from.

Adding to the process of deskilling Taylor sought to separate those that were designing and planning the work from the factory workers who were executing the

tasks. The corollary was that the jobs produced in the Taylorist factory were primarily of low skill and requiring little thought. The separation of the conception and execution of tasks stripped autonomy away from workers and made them interchangeable, something that was taken to new levels by Henry Ford. The vagaries of craft custom and lore no longer set the tempo of work, which was now the prerogative of management. Scientific Management and Ford's mass production system were essential to the rise of Industrial America. The ideas not only created the capacity for mass production but also through the payment of higher wages, simultaneously created the consumer society that could consume the goods produced. It was an American story, even though, at its zenith in the 1920s, few American employers adopted the full panoply of techniques (Edwards 1979; Nelson 1975).

The take up of the new ideas was patchy in Europe, in no small part due to the start-up costs of creating the organizational capabilities to accommodate the needs of a scientific management system (McKinlay, 2006). The incomplete adoption of Taylorism was in part due to societal differences. In the melting pot of the North-East United States vast armies of immigrant labor were easily transformed into production line workers, while elsewhere in Britain, Germany and France, for instance, employers were more reluctant to impose Scientific Management. Specific societal differences – known in the literature as societal effects – came into play.

The 'societal effects' literature in organization theory highlights the existence of elective affinities between the organizational forms of a country and its broader cultural and social institutions (Sorge 1991). The explanation of West German engineering excellence is often attributed to the effectiveness of the vocational and educational training system, the systems of company ownership and the cultural importance of engineers (Lane 1989), for example. Equally, authors have pointed out

the historical and cultural specificity that has shaped Japanese corporations that were much admired and fetishized in the West during the early 1990s (Kono and Clegg 2001). The work of Peter Clark (1987; 2000) goes some way to explaining differences between Britain and America in their manufacturing capacities. He suggests that particular homebases for organizations endow them with limited zones of maneuver. Clark builds an argument that had Henry Ford started out in the English West Midlands (the home of the now defunct Rover group) he would have failed. He suggests that the homebase did not possess the supply networks, the infrastructure or the cultural capacity for mass production. Thus, it was no accident that Ford globalized a system of production and British manufacturing did not: the latter lacked the capacities and capabilities to do so.

The era that Taylor and Ford ushered in can be said to have lasted until the 1980s; the characteristics were large-scale mass production, organized around long productions runs, economies of scale, and hierarchical bureaucracies. It was a merger of Taylor at the base, Ford in the flows and integration of supplies, and Weber in the superstructure of control. As a system it was probably best analyzed by Braverman (1974) in his account of the labor process under monopoly capitalism.

Initially, it was widely believed by strategy scholars that the rise of the multi-divisional firm (MDF) superseded the classic bureaucracy (Chandler 1962). In practice, however, even though the MDF was capable of more flexible articulation across space, and became the ideal type of multinational organization for this reason, it merely reproduced performance-oriented bureaucracies at each of its divisional nodes while retaining certain core functions to the centre, such as financial controls. The framework for their organization corresponded to the first of what Bartlett and Ghoshal (1989) highlighted as three models for global management, the multinational

model. The multinational model conceptualizes the organization as a portfolio of different businesses in different sectors and nations. The multinational is managed by a relatively straightforward set of financial controls. The component businesses in the portfolio are relatively autonomous in their activities.

More recently Alfred Chandler and Bruce Mazlish (2005) have edited a collection that chronicles the rise of multi-nationals in a set of terms that are somewhat broader than Chandler's (1962) early work. Their argument is that to conceive of multinationals as merely economic entities is to miss the point. Multinationals are the leviathan figures of our time, actively shaping the world in which we live. The reach of multinationals is now such that they interpenetrate every aspect of human life.

Two additional models for understanding global organization, in addition to the multinational model, are identified by Bartlett and Ghoshal (1989). The *international* model has a core market – normally its home one – upon which most energy is concentrated. Its operations in other markets are regarded as peripheral. The subsidiaries are tightly controlled from the centre. The *global* model concentrates on global markets and attempts to integrate operations between different markets. Production is generally centralized and the different national organizations are used to distribute the products. What make global organizations possible are global management capabilities; these are forms of management that are capable of operating effectively in terms of action at a distance and in the abstract in ways that transcend the limitations of spatial distance and the constraints of temporal distance. While the potential for such control was always a part of the managerial project, it was as a result of the emergence of a global neo-liberal economic agenda in the 1980s that it actually achieved dominance.

**The New Managerial Revolutionaries**

The elections of Margaret Thatcher and Ronald Reagan to office are generally held to be hugely symbolic markers of a new era. In the well documented restructuring that was to follow the manager was one of the social figurations elevated as a new moral ideal (see Macintyre, 1981; Townley, 2002). If Reagan and Thatcher were significant in political and social circles, management had its own watershed year in 1982 when former McKinsey consultants Tom Peters and Robert Waterman published *In Search of Excellence*. In many ways it was an attempt by America to counter the perceived Japanese challenge by demonstrating that there were equally robust indigenous ways of organizing available in the US to those in Japan. Blockbusting their way up the bestseller lists a new genre of management writer was borne.

We will deal with the fuller significance of the Peters' phenomena later in this chapter but at this point content ourselves with the central theme of the *In Search of Excellence,* namely that organizations had to change their corporate cultures to survive and be excellent. Profiling 'excellent companies' Peters and Waterman identified eight successful attributes of successful companies which were widely enacted by the millions of managers who read their book. If critics took pleasure in pointing out the questionable theoretical assertions, this was nothing on the empirical *schadenfraude* enjoyed a year or so later when the excellent companies started failing. Yet this turned out to be an irrelevant detail, for the corporate culture agenda had been set and organizations set about trying to transform themselves. In the years that followed initiatives such as Total Quality Management (TQM) and Business Process Re-engineering (BPR) followed. The consultative, participative approach at process improvement often ended in frustration as the recursive tendencies of organizations

(Giddens, 1984) often raised their bureaucratic head. BPR took an altogether more violent approach to the pre-existing context of an organization by seeking to 'obliterate' it and start again. It is perhaps unsurprising that BPR was often ruinous for the knowledge base of firms it sought to transform. Many times the things that made the organizations special, or indeed viable, were rationalized out of existence in a kind of Taylorization of all knowledge and work in the organization. But it did have significant effects in popularizing the idea that were post-bureaucratic ways of organizing available, or that there were new organization forms with which it was possible to rethink the dominant bureaucratic models of the twentieth century. The reach of anti-bureaucratic managerialism has crossed sectors as well as nations. The New Public Management movement has traveled far from its origins in the British public sector to be applied across the public sector world, globally.

Post-bureaucracy has been an important theme in management thought in both private and public sectors over the last twenty years. In the management literature, bureaucracy and bureaucrats went from being a description of a mode of organizing to a pejorative term of abuse. In sociology, authors such as Bauman (1989) highlighted some of the terrible historical events made possible by bureaucracy. The more recent symbolic assault on bureaucracy has imbued the term with negative connotations. Paul du Gay has made a spirited defense of bureaucracy arguing that attacks on bureaucracy ignore the positive connotations found in Weber's original conceptualization of the term. In particular, du Gay draws attention to the equality and impartiality that characterized the treatment of the individual in bureaucracy, as did Perrow (1986). The broad trend, however, has been to castigate bureaucracy and for organizations to attempt to escape their bureaucratic practices. From the late 1980s onwards these escape attempts were increasingly concentrated on a series of

management fads that were marketed globally by international consultancies, such as McKinsey, who were the source of the cases originally used in the Peters and Waterman (1982) volume that may be said to have kicked off modern managerial concern with organization forms, which has seen waves of successive innovations wash over the global corporate scene.

## The Sociological Origins of Management Forms

*The modernity of management?*

Much is made of emphasizing the 'newness' of recent management ideas. Yet management academics have been quick to point out that many of these ideas are in fact remarkably similar to past initiatives. For instance, Knowledge Management a managerial initiative that seeks to create competitive advantage for leveraging the organizations knowledge base in practice has more than a passing resemblance to Taylorism (Fuller, 2002). Taylor sought to take the knowledge from the craft worker and place it in the hands of management; Knowledge Management seeks to codify tacit knowledge in the workplace. Tacit knowledge existing in the minds of employees and has to be taken out of mind and put into organization practice, independently of whosever's mind it may have first come from. Equally, other initiatives such as Total Quality Management or Business Process Re-engineering have a resonance with ideas that preceded them. Our argument is that the last twenty years have witnessed a dramatic shift in management ideas, one which clearly requires some justification.

We accept that many 'new' management ideas can in many ways be regarded as recycled management nostrums from the past. When Fuller (2002) makes the link between Taylorism and Knowledge Management we think he is right. Yet there is a

crucial distinction not so much relating to the content of the ideas – though of course information technology now underpins most managerial initiatives – but the context in which the ideas are created. Over the last twenty five years there has been an emergence of a powerful management ideas industry which has successfully packaged, communicated and sold discontinuous innovation as cultural ideal and a desirable good (Townley, 2002). A management-ideas industry has been fuelled by the rise of Business Schools, especially through the provision of MBA degrees, the growth in management consultancies, and the emergence of self-styled management gurus. Taken together this amounts to an actor-network that has successfully packaged and commoditised managerial initiatives. These models of 'best practice' have been disseminated throughout the organizational world. We argue that this has been profoundly important in terms of creating blueprints of what organizations 'should' look like. Collectively the key players of the management ideas industry have helped produce management fashions.

*Large IT Firms*

The major actors in the management ideas industry have been the major IT companies, such as SAP and Cap Gemini. The changes in IT have been one of the major enabling factors behind globalization. IT firms have played an important role in the development of the management ideas industry. Recent initiatives such as Enterprise Resource Planning and Knowledge Management rely very heavily on IT practices. Matthias Kipping (2002) has argued that consultancies go through waves of development. According to his analysis large IT firms are riding the most recent wave and are becoming the dominant players in the consulting industry. We may think of them as the 'fifth column' of the management ideas industry: they penetrate

businesses that need the technical capabilities that IT brings, but their entry becomes a beachhead for sustained attack by management ideas. The first of these are usually introduced by management consultants, often called into try and make the IT systems that millions have been expended on work better, to live up to expectations.

*Management Consultancy*

Large-scale management consultancy has grown exponentially and consultants have become major actors in the creation and transmission of management ideas. While many American Consultancies had been in existence for much of the last century – coming out of the systematic management movement of Taylor's day – it is over the last twenty or so years that demand for their services has boomed. For instance, in 1980 the consulting sector did about $3 billion worth of business a year. By 2004 this had increased to a staggering $125 billion (Kennedy Information, 2004). Organizations such as McKinseys and the Boston Consulting Group have become high-status brands in their own right. Other consultancies emerged out of the large accountancy partnerships. Uniquely placed as the auditors to large firms, most large accountancy firms commercialized to the extent that their consultancy operations became at least as important as the core auditing business, which was notably the case with Arthur Andersen and their most infamous client, Enron.

What were the circumstances that led to the rise of management consultants? Andrew Sturdy has pointed out that management consultants simultaneously instil a sense of security and anxiety in their clients: Security, because they imbue managers with a sense of certainty and control over the future or whatever organizational problem it is that the consulting is concerned with; anxiety, because the managers are in a sense emasculated – unable to manage without the guidance of consultants.

The role of the large accounting firms is pivotal to understanding the story of the rise of consultancies. By the mid 1980s the market for financial audit was mature and had stagnated. In any case, outside of a few accounting firms in a few geographical locations, competition between these firms was frowned upon and for the most part regarded as being somewhat aggressive and ungentlemanly. What the large accounting firms possessed was a monopoly over the provision of audits to large firms. The 'full professional jurisdiction' (Abbott, 1988) was protected by law. The large accounting firms developed a number of capabilities, one of which was the ability to cultivate and sustain long-term relationships with clients. These connections were often cemented by their own accountants going to work in client firms after a number of years with the accounting partnership. Accounting partnerships also possessed highly sophisticated means of charging for audits and managing large scale interventions into organizations. The shifting context of accounting firms in the 1980s allowed them to diversify outside of audit activities, though their clients were generally those that they also sold audit services too. Audit became the wedge that opened the corporate door to the on-selling of additional services. Hanlon (1994; 1997) has demonstrated the way in which the large accounting firms commercialized themselves – pursuing capital accumulation strategies. Equally, Greenwood et al (1999) have written extensively on the unique characteristics of accounting firms that allowed them to globalize so successfully. Mike Power (1994) has argued that we increasingly live in an audit society, one in which the principles of verification and calculability underpin society. During this time accountants and management consultants have risen to powerful positions within civil society. In the UK, for instance, large accounting firms played an important role in drafting privatization and private finance initiatives. They were simultaneously to profit from the

implementation of such policies. Government work, that was once the sole preserve of mandarins, is now often carried out by accountants and management consultants. What marks out a mandarin from a management consultant or an accountant is a different type of intellectual capital: the mandarin was most likely to be a classicist, schooled in a classical discipline, educated at a socially elite university, and drawn from a wealthy family background. The moral sentiments of the knowledge born by a management consultant are more technocratic and democratic, and are likely to be premised on less concern with social origins, and education in a Business School, usually in an MBA,

*MBAs*

Management education has penetrated the Anglo-American University system to a considerable degree. Andrew Sturdy (2006) reports that '25% of US university students currently major in business or management and in the UK, 30% of undergraduates study some management'. Equally, fast emerging economies such as China and India have embraced the MBA with great enthusiasm. A small number of Business Schools MBAs are rich in symbolic capital, while some such as Harvard enjoy iconic status. Thus, from being, once upon a time, the province of an elite cadre of American business aspirants, the MBA is now offered in ever increasing volumes across the world, fast over-shadowing the traditional undergraduate domains of academic endeavor. In one sense, the growth of the MBA may be taken as a case-in-point of what some critical scholars have seen as the neo-colonial domination of an American educational model on a global scale (Miller and O'Leary 2002). Hence, the cultural logic of the MBA, from its beginning in the neo-classical architecture and green pastures of Harvard University, has developed in the latter part of the 20th

century to become *the* model of management education. As such it is the principle vehicle for the normalization of disciplined expectations in the managers of tomorrow, while offering practical opportunities for the consultants of today to enrol others who will soon be influential, to their ideas and to expound them in settings that proffer great legitimacy and legitimation. The interconnections become almost seamless; the manager's in training are normalized into the idea that consultancy is a solution provider; the consultancies gain exposure to attract the brightest and the best from the top MBAs. The MBA-speak of PowerPoint's and spread-sheets prepares the student of today for the consulting and management presentations of tomorrow. Thus, the MBA acts as a rationalizing device. There is a canon of knowledge which has been increasingly homogenized, which is further exacerbated through international credentialing bodies such as the AASCB (Association for the Advancement of Collegiate Schools of Business) and EQUIS. Most particularly, the move towards centralized standardization has been achieved by the AACSB and its emergence as the peak standards making body. To have won membership of the AASCB has become an obligatory passage point for those business schools seeking global legitimacy. One consequence of the AACSB and its framing of the field is that, across the world, students will be tutored in similar lessons in strategy, finance, marketing, human resources and so forth.

One of the fascinating features of the MBA is its link with management practice. The promissory note of the MBA is to deliver more highly paid jobs to students. While there are a host of distance and part-time programs available the costs of participating in a full-time program are considerable. Students have to be fairly sure that their investment will be worthwhile by providing them with a degree of fluency in the cultural capital of managerialism: of course, whether being able to be a

smooth conversationalist in a particular rhetoric makes better managers or not is an open question. What is certainly does do is to allow them to communicate with other managers in a global management. As Victorian administrators were schooled in studies of long dead languages and the histories of classical civilizations the managerial classes of today study a syllabus that is remarkably uniform in its content. The MBA curriculum and skills are fast becoming the Latin of the modern world.

The MBA also achieves the material production of ideational values. It acts as a vehicle for creating self-fulfilling prophecies. An illustration of this is the so-called flexibility debate that took place in the late 1980s in the UK. Atkinson (1985) outlined a model of the 'flexible firm' in which he argued that organizations were moving increasingly to employing a core workforce, enjoying secure employment and good working conditions, and a peripheral workforce that was much more casualized. Debates raged as to whether this was the case or not. Empiricists argued that Atkinson was overstating the shift and that employee relations were unchanged. The model entered into the curriculum of many Human Resource Management courses in many British Business Schools. The result was that managers learnt – and many are sure to have applied Atkinson's model – such that it did become part of the employment landscape. Similarly the influential research done on strategy by Michael Porter into regional clusters has had an important influence in regional policy whereby regional governments actively try to create a cluster.

The MBA has been thought of as the solution to the problem of making up managers (Watson, 2004; du Gay and Salaman 1991). Managers would not be people with skills merely learnt on the job but they would have been prepared, vocationally, beforehand. They would be well-prepared receptacles for the received forms of calculation with which, globally, management makes its ready reckoning. From

within Business Schools there have been rumblings of disquiet about the MBA However, almost exactly a hundred years after its inception in the US, the concept of the MBA has swapped sides, now being critically perceived as part of the problem rather than the solution. Some authors regard the MBA as neo-colonial domination of an American educational model on a global scale (Miller and O'Leary 2002), Henry Mintzberg's "hard look at the soft practice of managing and management development" (2004; see also Bennis and O'Toole, 2005) revealed in a popular tone what other scholars such as Parker and Jary (1995) and Sturdy and Yiannis (2000) theorized more critically earlier: the concept of the MBA is neither producing a humanistically educated workforce nor good managers.

The wave of accounting scandals and corporate collapses has led to further soul searching over the MBA. Enron were enthusiastic recruiters of MBAs (Cruver 2003). Cruver, a Texas A & M MBA graduate, chronicles his eighteen months at Enron before the company collapsed. The enduring images are of highly motivated, bright MBA graduates not asking difficult questions, not raising concerns over dubious practice and generally being socialized into the macho, competitive 'win at all costs' culture of Enron. That these MBA's professional education seeded ethical concerns so lightly is one thing but some writers such as the late Sumantra Ghoshal have argued that the MBA actually made crashes such as Enron possible. He sees the lack of professional ethical formation of the future manager such as to make them extremely plastic for those whose heroic leadership status in hot-shot organizations defines that which the young managers aspire to be. It institutionalizes the possibility of management's ethical failure as the norm to which recruits will be socialized. By contrast with professions such as medicine and law there is little attention paid to professional ethics and civic morals, other than those that emphasize winning at all

costs, being a corporate game player, and being the one who ends up with the most chips in the lottery of organizational life.

How has the MBA achieved the global significance that it has? In part this is an outcome that is dialectically related to globalization; globalizing processes encourage the employment and utilization of the technical knowledge associated with MBAs to maintain their momentum. However, it is also part of a wider social phenomenon, itself related to the emergence of a global management project. The phenomenon in question is the emergence of a huge commercial market in popular management books and a circuit of celebrity for those who write them. They are the gurus of the modern age, the Management Guru's.

*Management Gurus*

Earlier in this chapter we introduced Tom Peters. He is the most celebrated and, at the same time, infamous of the management gurus. Gurus are generally self-styled and known for their image and rhetoric intensity. Producing airport lounge best sellers and conducting world tour lecture tours, gurus hawk their homespun nostrums throughout the corporate world. Analysts of gurus have argued – in a McLuhan fashion – that the medium is the message. Evangelical style exhortations to change accompanied by convincing stories and snappy sound bites characterize the genre. The books follow a similar vein and, as we suggested above, are often taken to task for their theoretical and methodological failings. This is perhaps to miss the point. Even more managers are likely to listen to a guru presentation or perhaps read a guru book than are likely to attend business school (Clegg & Palmer, 1996). Many of the gurus have enjoyed glittering corporate careers and their ideas on management are lent a credibility by

this corporate experience – such texts have elsewhere been characterized as 'karaoke texts', in a reference to their 'I did it my way' quality (Clegg and Palmer, 1996).

**Management Fashions**

The four main actors of the management ideas industry have reshaped the corporate world. They have changed the linguistic and ideational context in which organizations operate by ushering in a new grammar for organizations. Most large organizations' mangers today can talk about their 'strategy', articulate their 'mission', their 'values' and their 'corporate culture', as if they were talking about self-evident concepts. These are abstractions that the management ideas industry has made as real as writers such as J. M. Barrie were able to make Peter Pan and Wendy, and the Lost Boys, for children. They are imaginaries, conjured up to be real, which is not to say that in the past organizations did not possess such attributes, but that there certainly was not a global managerial language articulating the same imaginaries in so many different boardrooms, on so many brochures and in so many websites. When every organization has a vision, a mission and a strategy the manager who dreams different dreams risks going naked to the market.

The management ideas industry has also given rise to management fashions. Eric Abrahamson has argued that management fashions possess both an aesthetic and technical dimension. The aesthetic dimension makes a robust argument in an 'attempt to convince fashion followers that a management technique is both rational and at the forefront of managerial progress' (Abrahamson, 1996, p. 267). The new technique will be backed up by war stories that confirm its effectiveness and statistics demonstrating its worth to the organization. The careful styling and well crafted success stories and plausible philosophical rationale for the adoption of such a

technique constitute a rhetoric intensive manifesto of action for organizations. The technical dimension includes a number of tools and techniques that can be used to perform a particular initiative. For TQM this included brainstorming, process mapping techniques, cause and effect diagrams, and so forth. The overarching characteristic of an initiative is that it is imperative for the success and indeed survival for the organization.

Fashions are instances of 'blackboxed' (Latour, 1987) knowledge which, while usually American in origin, are footloose and suitably ambiguous to traverse sectors and nations. As part of their pressure for capital accumulation, actors within the management ideas industry are constantly seeking the next initiative that will sell well. The search for discontinuous innovation – necessary to maintain the portfolio of new products for a market that quickly tires of the same old recipes – involves careful market research into managerial anxieties and organizational issues. Thought leaders scan the management journals for ideas and potential gurus that can be translated into profitable business. Successful fashion innovators possess sufficient *habitus* to be able to construct managerial initiatives that capture the corporate zeitgeist.

While the management ideas industry supplies, commodifies and disseminates, what of organizations that have seemingly become dedicated followers of fashion? New Institutional theory suggests that some initiatives are consumed for mimetic reasons which are the copying of 'best practices', regulative reasons where an organization is compelled to adopt and initiative, and normative reasons where the idea is held to be at the zenith of best practices. All of these forms of isomorphism have lead – at the surface levels at least – to organizations increasingly coming to resemble each other.

**Work and Globalization**

Over thirty years ago in his classic analysis of the American labor force, Harry Braverman noted the tendency for organizations to deskill their labor force. What does the experience of globalization mean for the experience of work? We will address a number of shifts that appear to have taken place in the labor force. In many of the change programs of the last twenty years one of the central targets has been labor. The downsizing that characterized the 1990s led to a 'gouging' (Littler & MacInnes, 2004) of the workforce and a removal of swathes of middle management. The waves of privatization across the world were to have many effects on labour. One was to challenge seriously the power base of existing dominant groups. In the UK, there was an assault on state sponsored professionals such as teachers, social workers and engineers in state utilities. The assault on the professions has led to some authors suggesting that the bell tolls a death knell or at least announces twilight time for some professions. It is quite clear that some professions have fared better than others. Groups such as lawyers, but particularly accountants, have profited hugely from the changes in the global economy. The shifts in the last twenty years have, according to Madelaine Bunting (2004) led to an 'overwork culture' which is ruining people's lives. Labor intensification and growing levels of insecurity are key motifs in the study of work under globalization.

The 1990s saw shifts in the labor market that for some have heralded a coming of knowledge work. There are of course important qualifications that need to be attached to such labels, yet it is the view of the authors that knowledge work is too important to be dismissed as the stuff of philosophical whim. Robert Reich (1991) observed it in terms of the rise of symbolic analysts, the elite of the international service class. Symbolic analysts are marked out by their symbols of success – the

Porsches, the Rolexes and the Armani suits – and the nature of their work on the semiotics of money, images or words. Symbolic analysts include city analysts, corporate lawyers, advertising executives and management consultants. Symbolic analysis manipulates symbols to involve, identify and broker problems. It simplifies reality into abstract images by rearranging, juggling, experimenting, communicating and transforming these images, using analytical tools such as mathematical algorithms, legal arguments, financial analysis, scientific principles or psychological insights that persuade and somehow or other address conceptual puzzles. What marks such work as different are its linguistic and social accomplishments. In circumstances of high uncertainty and high ambiguity there is never one correct answer (Alvesson, 1993). Instead any number of plausible alternatives can be posed. It is work that places the persuasive abilities of the knowledge worker to the fore. Image intensity; the suit they wear, the briefcase they carry, the sleekness of their PowerPoint presentation, and the persuasiveness of their rhetoric, are all as essential to the robustness of their argument as their mastery of the appropriate vocabulary. An essential part of a knowledge worker's repertoire is to appear to be an expert, which takes primacy over 'actually being an expert'. This is not to suggest that knowledge workers are charlatans, as Alvesson makes it clear that technical competence is taken for granted but that the ability to persuade comes to the fore. These are the global workers, working for the Big Four Accounting firms and other boutique equivalents. They often move between the great corporate capitals of the world creating genuinely global corporate elites. Such transience perhaps engenders networking skills and alters sensibilities around risk – two other important characteristics of the symbolic analyst.

The hours worked and the air-miles traveled by symbolic analysts, armed with their elite MBAs and their glittering symbols of success, have been the subject of analysis. Australian writers Trinca & Fox (2004) highlight how many knowledge workers have become hooked on work. They make the point that it is not just those motivated by material gain and the trappings of power but also 'cultural creatives', who often possess alternative value systems, who are also becoming addicted to work. Knowledge workers, whether through desire or compulsion, according to Trinca and Fox, are becoming addicted to work. In summary they are the well remunerated stressed out shifters and shapers of money, meanings and markets, doing deals, making business and moving from project to project, hooked on the experience. Work becomes one of the addictions of the global capitalist era for the creative class, along with other sources of intense nervous stimulation. The 'better than sex' argument is quite a challenge for conventional industrial sociology. For the past thirty years most of its arguments have engaged with theories developed in the Braverman tradition; undoubtedly these have the capacity to illuminate the nature of some contemporary work, even when they overstate the tendencies that they identify (se Clegg 1990 for a critical account). Yet the sociology of work needs to look beyond metaphors derived from the production line. So much of contemporary employment involves the manipulation of knowledge and symbols, and is, as we have argued, concerned more with identity work than manual labor and has an immaterial quality to it, rather than being based in material production.. To understand the work of such people it will be necessary to engage with issues of identity, social capital and immaterial labor.

Symbolic analysts are, of course, the fortunate members of the global economy. Additionally there is a shadow group of workers in the symbolic sphere, workers who are tightly scripted, operating in simple and unambiguous environments.

These workers work in call centers. Call centre work is characterized as pressured and at the same time monotonous. For some, call centers are the factories of the future. Call centre workers are under exacting targets to deal with a client's call in a particular time and manner. Much has been made of the panoptic surveillance regimes that call centre workers are subjected too. Yet the Orwellian dystopia of the controllable, governable worker seems to ignore that call centre workers do not occupy total institutions and their subjectivities draw on a range of different roles they may play in life. In the UK, call centers are notorious for their very high turnover rates, which is perhaps a good proxy for the extent to which workers resist buying into the logics they are subjected to. The last few years have seen call centers go global – especially to places such as Delhi and Bangalore. The Indian counterparts of a British or US call centre worker will earn around a fraction of these employees, or, looked at another way, the organizational costs of highly routinized work that cannot be eliminated will be hugely reduced by shifting the service provision offshore. A customer service call placed in the UK or US is likely to be routed a continent away. The global symbolic analyst elites are supported by a vast number of workers doing casual, boring, dirty and exploitative jobs. Those who cook, wash, clean up, who pack and sell convenience foods, park and service cars, the people who attend to appearance, the body worker – the people that keep the symbolic analysts' image looking good.

There are also the grunge jobs – the semi skilled workers who work in the lower reached of the supply chains established by the global giants – which account for around 35% of the jobs found in the US economy. It is a contingent, easily dismissed mass of people who can be used and laid off to absorb transaction costs and cushion demand for global corporations. These workers are the first to feel the chill of

a cold economic wind – buffering the core contract employees. These workers are low skill, are often regarded by corporations as adding little value and are easily disposable but they are likely to have some form of social insurance and they do work in the formal economy. The second element in the composition of the grunge economy comprises an underclass of workers who are often illegal immigrants working sporadically in extreme conditions outside of the formal economy and the regulated labour market. Think of sweat shops in the garment industry or contract labor and seasonal employees in the agricultural sector. Many jobs are done in conditions of virtual slavery – with thousands of Eastern European women being trafficked across Europe to work in the sex industry. These are global supply chains that bring misery. Outside of the commercial centers of the West fashionable businesses source inputs from factories that operate in conditions that would be unacceptable in the West. The garment and footwear industry in global brands such as Nike, especially, have been singled out for adverse academic and political attention in these terms. A good guide to the concerns that have been articulated is to be found in the web pages maintained by David Boje (http://cbae.nmsu.edu/~dboje/nikerpts.html).

While capital has successfully globalized, labor unions have found things more difficult. Under assault in countries such as the UK, the last twenty years has seen the relations of power shift away from the traditionally powerful unions. In part, this has been due to legislative changes. It has also been due to the decline in some traditionally well organized and militant industries such as steel and coal. What is notable, however, is that barring a few exceptions labor has found it difficult to organize globally. In no way has it matched the ingenuity of corporations in their accomplishment of globalization, although significant global campaigns have emerged from within the trade union movement and from the critics of globalization

to confront the new global realities (Hogan and Greene 2002). However, trade unions remain, for the present, largely nationally institutionalized, and they do not afford much of a threat to existing organization of the relations of production, especially as their recruitment and penetration of the post-industrial services economy is far lower than was the case in the era of industrial labor and society. Also, they are increasingly irrelevant because their leadership is largely male and the domain of their traditional membership female. Thus, the biggest issues that unions face today on the membership front are low female and ethnic minority participation rates such that the people doing the representing rarely share either gender or ethnicity. There are cases of the use of the web by unions in concert with more traditional forms of mobilization (Carter, Clegg, Hogan and Kornberger, 2003). The emerging global system is far from complete and far from determined, but it is having a profound impact on social and working life in the regions included within and excluded from it.

**Global Protest**

Globalization is the perfidious issue of our times. Every time the G8 finance ministers meet – important architects of the global economic system – it is amidst the tightest security. It will be an event which will draw thousands of people to the streets to protest against the iniquities of global capitalism. The arguments against globalizations are complex and demonstration invariably bring together a wide ranging group of solutions as diverse as Trotskyite global revolution or a reassertion of key lessons from the Christian New Testament. The demonstrations are important symbols of democracy and have a carnivalesque quality to them. Yet it is difficult to see them being the source of an alternative to the current global order. Ironically, many of the iconic anti-globalization movements are being held by their members to

resemble increasingly the managerialist corporations that are so despised. The work of O'Doherty and Unerman (2005), for instance, charts the managerialization of Amnesty International.

In trying to inject greater transparency and accountability into global capital, we would disagree with Naomi Klein. Logos provide the ability to monitor and scrutinize global supply chains. Fairtrade movements provide similar possibilities. Corporate Social Responsibility is an initiative which has been trumpeted by oil companies and the like as a demonstration that they are taking their obligations seriously. While many such corporate endeavors may well be 'greenwash' and 'whitewash', activists can expose them as such and try to make corporate entities whose brand reputation is vital to their global dominance, especially in sophisticated liberal democratic markets, take some self-interest in improved practices. Thus, the ultimate aim of a great deal of activist pressure is improved self-management and self-regulation.

**Conclusion**

In this chapter we have discussed some of the central aspects of globalization from an organizational perspective. A key motor – we argue – has been what we have termed the management ideas industry that has led to a surface homogenization across the organizational world. The American dominance of managerialism has succeeded in setting the terms of debate and has established the language of engagement, which has penetrated most sectors and nations. Thus, to an extent, globalization does represent Americanization, albeit one that is distinct from the cultural imperialism often associated with critiques of such processes. It is not the consumption of Coca-Cola and fast food that drives this globalization, although it is often a secondary

characteristic. More fundamental are the development of abstracted ways of engaging with people and things that enable a way of doing business to spread globally, whose genetic imprint is American and for which the majority of ideas production and dissemination is American. While this chapter has reviewed some of the key aspects of the globalization of organizations it should not be read as a totalizing Americanization of the organizational world. While the American model, for the time being at least, has seemingly triumphed there are likely to be other models that come to challenge it. Japanese Industry was fetishized by Western observers in the late 1980s and early 1990s. When the Japanese economy encountered problems, Japanese modes of organizing were written off as quickly as they had once been embraced. Metaphorically speaking Japanization lies prostrate in the managerialist mausoleum, an object of historic curiosity rather than current interest. It remains to be seen whether interest in Japanese modes of organization will be reanimated as Japan's economy re-emerges from its current gloom (Kono and Clegg 2001).

The success of some models might owe much to unintended consequences, coming out of the attempt to managerialize according to a consultancy blueprint. Other models might emerge out of the fast developing, super economies of the near future such as China and India. We may see examples of reverse colonization, whereby ideas from the post-colonial world become standard organizing techniques in the West. Hybridity is likely to be the name of the game in the future. The management ideas industry certainly possesses the capacity to take ideas from anywhere in the world and turn them into management initiatives. Much of the managerialization of the last twenty years has focused on taking ideas of 'best practice' from the corporate world and applying them to the state or former state

owned sector. The extent to which this trend will continue is an open question; will the appetite remain for private sector inspiration and consultant delivered change?

The sustainability of managerialism is open to question. If organizations increasingly follow one template and become more and more alike, where is a sense of difference or competitive advantage likely to come from? Similarly, much of the managerialization of organizations has been about modernization and, by implication, dissociation from the organization's past. What will future forms of managerialism look like when managerialism is seen as the problem rather than the solution?

Organization Studies teaches us that power – however apparently unassailable – is always capable of being challenged and overturned. We remain alert to this possibility with global forms of organization, although it is difficult to see this coming out of global anti-capitalist protest movements. It seems increasingly clear that it is environmental issues that are shaping up to be the defining issue – and societal problem – of the age. It is less clear what global organizations, the management ideas industry and managerialism have to offer as a solution to this growing problem. However, it is also equally clear that their address will require a new form of global regulation that is unlikely to be delivered through the neo-liberal agenda. Hence, we speculate that the next major shift in the development of globalizing capacities is likely to emerge from the ecological politics arising from globalization's unanticipated consequences, around issues such as global warming.

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