Management Revolution, Market Fetishism, and Non-Standard Labour: Implications for Knowledge Workers

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As his first extended efforts at business organization theory, Tom Peters' *In Search of Excellence* and *A Passion for Excellence* laid the foundations for a series of seminars presented to the executives of large, successful organizations[1]. The prescriptions arising out of those seminars in turn constitute *Thriving on Chaos: Handbook for a Management Revolution* – the progenitive text for organizational reengineering in the late-twentieth and early twenty-first centuries. The widespread acceptance of this seminarian's restructuring ideals, without due consideration of their negative consequences, occasions the enquiry below. The majority of Peters' imperatives for organizational reform in both public and private sectors arise from "market populism," the political-economic and cultural phenomenon chronicled extensively by Thomas Frank. Broadly, market populism – otherwise known as neo-liberal economics and discussed here as market fetishism– is the underlying pathology of a deregulated New Economy informed largely by supply and demand alone. Despite the adherence to these principles of myriad public and private sector organizations, Peters' market fetishism or determinism has negative implications for what Peter Drucker and others have discussed as knowledge workers. Peters' emphasis on the volatility of markets and corporate reengineering according to unstable customer demand and niche-market orientation has resulted in trends toward flexible labour arrangements that allow organizations to take advantage of specialized knowledge labour for short durations. Early proponents of Peters' prescriptions and the New Economy, including Drucker himself, believed that an emphasis upon specified knowledge and creativity meant a transfer of the very means of production to individual labourers. However, accumulated conventional capital and resources held by large organizations remains an *a priori* requisite for knowledge-worker employment. The issue thus becomes one of traditional Marxist preoccupation: an increasing amount of the knowledge-based workforce is exploited by organizations through the casualization of labour. Because of their appeals to the market as an immutable force beyond praxis, both post-capitalist and management revolution rhetoric cannot hope to ameliorate the negative repercussions that have resulted from recent business reengineering trends. The first section of this paper provides a brief outline of Peters' management doctrine in terms of i) volatility and change, ii) niche-markets and specialization, and iii) the privileged customer. This is followed by a discussion of these phenomena as they relate to casualization or flexible-labour trends relative to knowledge-workers.

I. Peters' Management Doctrine:

Volatility and Change

Volatility is the single greatest impetus for Peters' reengineering prescriptions[2]. Change must occur at all levels of organization as dictated by a fluctuating market. Discussing his accounting practices in the mid-seventies, Peters notes how twenty-year projections were a standard practice once thought to involve a high degree of certainty. By the mid-

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[1] In 2004, these include American Express, Philip Morris, Ericcson, KPMG, Bridgestone-Firestone, and Transamerica, among others (www.tompeters.com).

[2] It is also the most apparent difference between old and new economies, as noted by Robert Reich: "In the entire year of 1960, a total of 776 million shares of stock were traded on the New York Stock Exchange – about 12 percent of the outstanding shares – and each of these shares had been held, on average, about eight years. By 1987…900 million shares were exchanging hands each *week*, with the result that 97 percent of the outstanding shares were traded during the year. This figure did not include new speculative instruments like index options and futures, which turned over five times faster than stocks, and were held, on average, for a few days or hours" (193). Rapid stock movement is not only an indicator of market instability, but of the larger investor insecurity that results from increased competition and the destabilized profit margins of traditionally high-performing organizations.

to-late eighties, however, cash-flow projections, commodities, currencies, and other economic standards had become "highly variable"; as a result, "nothing [was] 'for sure' over a *three-month* time horizon, let alone one of *twenty years*" (466). For organizations to maintain profitability in such a variable market, a widespread acknowledgement of the collapse of relatively stable economies of scale had to occur. In Peters' literature and seminars, that acknowledgment took the form of a management revolution. Change begins as a response to an historical economic era, the defining characteristic of which is global competition resulting from unprecedented technological progress in transportation and telecommunications (Reich 219). A pervasive flexibility becomes the standard measurement of success: beginning with management, the restructuring venture shuffles departments and creates a team-based work environment with a certain emphasis on interchangeability. Everything from product development to payroll and all procedures in between abide less by stable market share and more by innovation. As Peters notes, the degree of change and originality in both product and process is directly related to the efforts of management executives: "creating a basic innovative capacity means inducing a steady, high-volume flow of new projects, products, and services" (275). Initiatives aimed at lowering production cost thus give way to research initiatives as companies change their products and services in accordance with elusive market fragments. In this environment, the organization man is a market fetishist, since every quality of his business must be as fluid as the volatile New Economy itself. This sentiment was assimilated early on by IBM executives, one of whom outlined the mantra of the company's reorganization in the late eighties: "we must reexamine every relationship, every element of doing business, every process, every procedure. The only plausible criterion for success is: 'Are you changing enough, rapidly enough, to successfully confront the future?'" (Peters 466). In the Peters paradigm, stasis of any sort is perceived not only as detrimental, but as corporate suicide given market volatility. In the rhetoric of his management revolution, "change" carries the greatest semantic weight and the highest truth-value. And the seriousness of the term is apparent in the modifiers that accompany it: urgent, disruptive, constant, continuous, passionate, and widespread.

Niche Markets and Specialization

The volatility that makes widespread and continuous change necessary is a condition of fragmentation, where either new products and services or variations of standardized products and services are introduced to the market en masse. According to this model, organizations reliant upon long-term production processes cannot remain competitive. Success depends upon the ability to specialize manufacturing and services as per consumer demand. This, of course, may be either highly impractical or altogether impossible for many organizations. However, Peters makes the claim that "there is no such thing as a nondifferentiable commodity…the more the world perceives a product/service to be a mature commodity, the greater the opportunity to differentiate it through the unending accumulation of small advantages – which eventually transforms the product, often creating wholly new markets in the process" (50). Organization hence becomes a matter of niche-orientation and specialization; a measure of success in established markets is no longer the guarantor of profitability. Instead, Peters prescribes "'differentiators' added to each product every 90 days" (491) regardless of performance or perceived demand. Thus while research and development departments generate myriad diminutive improvements of preexisting products and services, marketing divisions must effectively communicate those improvements or manufacture a previously non-existent consumer need. It is further necessary that the physical processes of product and service creation are flexible – it is more than probable that any given niche market can become saturated and that any given company can generate numerous markets. So in addition to fluid organization of personnel, the physical components of the business itself must be either quickly adaptable to new situations or replaceable without considerable cost. Peters' emphasis on product specialization as a condition of volatility further makes necessary a reduction of centralized management and an increase in front-line supervisors – that is, a 'flattening' of the organizational hierarchy that is consistent with the fluidity and interchangeability mentioned above. Manufacturing a specialized product or offering a specialized service concomitant with rapidly changing niche-markets requires unfettered lines of communication. Peters requires that the critical information provided by engineers, programmers, and other design specialists be available to front-line workers from the specialists themselves. Indeed, the first prescription of Peters' management doctrine is to "radically emphasize 'specialist' rather than 'mass/volume' thinking throughout [the] entire portfolio" of any organization competing with foreign or entrepreneurial business (50).

The Privileged Customer

In Peters' model, the volatility and specialization manifested in 'service-added' or differentiated products are the results of a customer-centered New Economy. Where scale and stable currencies drove production in the past, demand – apparent either in need perceived by market research, or need created by marketing – has become the most relevant information for supply. In the past, x number of a given product was produced by a handful of large organizations for x number of consumers. Profitability was a measure of large-scale production – the greater the output and lower the cost, the greater the share of the market. With globalization in particular, the low production costs required for success in scale economies met with high-quality goods from countries with weak currencies and high unemployment. The result was better foreign products consumed at much the same cost as domestic equivalents. X number of any given product still exists, but the unified form resulting from low-cost production methods has given way to any number of variations to meet the demands of consumer x, y, and z. As Peters maintains, “with everything up for grabs in every market,” and with the traditional market shareholders facing countless new competitors, organizations must become “customer obsessed” (184). The combination of choice and change has produced a self-perpetuating series of increased product differentiation and increased consumer expectation. The moment that domestic business began to compete with high-quality imported goods and services, or more recently, with niche-oriented entrepreneurial firms, was the moment that consumer demand became the single largest informant of business organization. The capricious whim of the paying customer has in turn generated the instability that Peters claims as advantageous for any organization willing to accept his revolutionary prescriptions. And to realize the opportunities of turbulence is to realize that “the customer, in spirit and in flesh, must pervade the organization – every system in every department, every procedure, every measure, every meeting, every decision” (Peters 184). While increased communication between design specialists and front-line labour better facilitates specialization, Peters further prescribes an “all hands’ direct involvement with customers” coupled with an advanced listening (that is, research) capacity focused on consumer demand (188). The result is a volatile, demand-driven market where customer appeals greatly affect supply procedures.

II. Knowledge Workers and Casualization

Tom Peters' collective prescriptions for reengineering organizations according to the principles of a New Economy have been highly successful across countless areas of business in both public and private sectors. As mentioned at the outset of this paper however, for every benefit the management revolution provides, there are subsequent negative results that receive only brief treatment from Peters and his supporters. These consequences are suffered by an identifiable group of workers that, ironically enough, provided the foundational labour of the New Economy. Both the advances in technology that allowed global competition and the ability to differentiate products for marketing in niche segments are due to the labour of those designated by Drucker as knowledge workers. The defining characteristic of this group, according to Drucker's most recent descriptions, is simply the completion of "formal and advanced schooling" (workforce, 8). For the purposes of this paper, however, we require a more extensive definition. To Drucker's conception of knowledge workers, we can append Robert Reich's description of "symbol analysts" as those who "solve, identify, and broker problems by manipulating symbols" (Reich 178). That manipulation, Reich notes, aims to increase efficiency, allocate resources, "or otherwise save time and energy" (ibid.). The design-specialists noted in the above discussion of Peters are also symbol analysts according to Reich's assertion that efforts at symbol manipulation are directed toward innovation. Ultimately, the most helpful definition of knowledge workers arises out of the titles they assume. As Reich explains, these include, but are by no means limited to:

> "research scientists, design engineers, software engineers, civil engineers, biotechnology engineers, sound engineers, public relations executives, investment bankers, lawyers, real estate developers…management consultants, financial consultants, tax consultants, energy consultants, agricultural consultants, armaments consultants, architectural consultants, management information specialists, organization development specialists, strategic planners, corporate headhunters, and systems analysts. Also: advertising executives and marketing strategists, art

> directors, architects, cinematographers, film editors, production designers, publishers, writers and editors, journalists, musicians, television and film producers, and even university professors" (177-8).

This assemblage may seem to constitute a powerful and respected segment of the labour force; if negative consequences exist for any group affected by Peters' prescriptions, surely it would be for those workers in service-oriented or manufacturing positions that lack the expertise for knowledge-work positions. The difficulty with such a claim, however, is that political, economic, and sociological enquiries into the nature of the New Economy have taken it entirely for granted. The stratification of knowledge versus semi-knowledge workers is always-already there in any account of the present epoch, and it is always assumed that the lower castes suffer the greatest disadvantage in any economic shift. However, semi-skilled labour has historically occupied the lower strata of any economic arrangement, and, barring any atrocity that reduces the instruments of civilization to rubble, that trend will continue indefinitely. The best that this group can hope for or work towards is labour conditions that are consonant with skill level – and there is no evidence in New Economy literature that semi-skilled workers in manufacturing and service industries experience conditions any worse than in previous epochs. On the contrary, globalization has redistributed wealth within lower strata around the world, as technological advances have reduced the cost of accessing cheaper labour pools, lenient tax laws, and natural resources in other nations. Along with symbol analysts, Reich observes that semi-skilled labourers comprise the other categories that make up the lion's share of occupations. "Routine production workers" are those who perform repetitive tasks in a factory or low-level data processing environment. In an economy of scale, these labourers were well compensated. Yet in the New Economy, this group is the most affected by globalization since the price of relocating any manufacturing or low-level data processing operation is quickly offset by decreased labour costs. According to Reich, this group has and will continue to suffer the greatest reduction in social and economic status. However, as Reich also notes, the category of "in-person service" is also occupied by semi-skilled labour and has been rising rapidly in North America since the nineteen-eighties. Most importantly, unlike routine production, "these services must be provided person-to-person, and thus are not sold worldwide" (Reich 176). Hence semi-skilled workers who have been displaced by globalization can conceivably occupy new in-person service positions, and as a historical collective, the increased disadvantages of this group from old to new economies is negligible.

As a result of the shift from scale to fragmented markets and the fetishizing of those markets as the primary impetus for organizational reform in Peters' management rhetoric, knowledge workers or symbol analysts -- not semi-skilled labour groups –- have endured the most negative consequences in the form of flexible labour or alternative work arrangements. The difficulty with assessing these trends stems from a lack of relevant research from government census bureaus and private statistic compilers; the dynamics of these arrangements – the magnitude and types of workers affected – are simply not available. Those reports dealing with flexible labour arrangements are moreover designed with extremely broad job categories that prohibit a distinction between the three labour divisions identified by Reich, and there is a persistent focus on traditional work alternatives such as on-call and part-time labour. Of course, fragments from several reports can be combined into a meta-analysis to uncover some of the broader trends relative to the argument here. Conferences and research articles in the industrial relations arena seem most helpful in this regard. That flexible labour arrangements are a valid concern in this field is evidenced by the 1998 conference of the

North American Agreement on Labour Cooperation, which focused exclusively on contract labour trends in Canada, the U.S., and Mexico. Concomitant with the specialized problem-solving and innovation skills of symbol analysts, sub-contracting or contracting out (whereby traditional in-house operations are performed by independent workers) is the predominant non-standard work arrangement for this group of labourers. Professor Anthony Giles of Laval University began the symposium with an outline of the primary reasons for increased contract labour. Although Giles may be guilty of a type of market fetishism similar to Peters', he nevertheless attributes recent growth of non-standard employment to the rise of corporate restructuring initiatives. As Peters' prescriptions gain appeal, corporate agendas are increasingly filled with projects designed to promote flexibility. Giles notes that a legislative return to market-based regulations further encourages the adoption of these reengineering programs. The result is a concentration on core business competencies while peripheral tasks are progressively contracted out to independent labourers.

That is, a handful of knowledge workers, who may or may not be employed under traditional conditions, generate product or service enhancements according to market fluctuations. The incorporation of these enhancements – say, for instance, GPS tracking systems installed on a line of luxury sedans – is contracted out to engineers or technologists who troubleshoot implementation during planning stages and work with front-line production members during installation. According to relevant literature, the extent of such arrangements has been increasing since the early 1990s[3]. As recently as 1998, Sharon Cohany of the U.S. Bureau of Labour Statistics, also speaking at the

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[3] University of Alberta sociologist Harvey Krahn puts Canadian non-standard employment numbers at 33% in 1994. This represents an increase of one percent every year for five years – a trend that has doubtless continued well into this century (Reid 130).

NAALC conference, noted that 6.7% of all workers in the U. S. were independent contractors such as those described above. While some organizations may only rely on a small percentage of such labour, others could not exist without it. Case in point, the Washington D. C. based Iridium Communications, with sales of 85 million in 2001 – only three years after its inception. Senior manager Dale Hogg, also presenting at the NAALC conference, described the extent of contracted knowledge labour one month after the company became commercially active: "[Iridium] employs some 530 full-time employees and over 300 consultants working under several contracts. Additionally, the major element of the system is contracted out and includes several thousand workers…these contractors have mainly been involved with design, construction and deployment of satellites, as well as the development of all of our business models and software systems" (ll. 3004-9). The "major element" that Hogg discusses is the group of sixty-six low earth-orbit satellites that allowed Iridium to offer the first truly global communications network on the planet. Hogg further notes that the extensive contract labour involved reduced corporate development times by several years. What Hogg fails to mention, however, is the ultimate fate of those knowledge workers so crucial in the creation of the company. Indeed, it is only in correlation with corporate success that he notes that "in three of our major departments we have now begun contract phaseouts. We expect, in the next six months, that 50 per cent of the 300-plus contractors will end assignments" (ll. 3133-5). For those involved in Iridium's core competency processes – including senior managers like Hogg – this represents a considerable benefit in the form of cost reduction. But for the myriad symbol analysts responsible for the design, construction, and launch of satellites, as well as the drafting and implementation of business plans that direct Iridium's future, or the software systems that ensure continued efficiency, contract phaseouts simply represent unemployment. This situation, of course, is not unique to Iridium. As Hogg insists, contract labour is becoming the norm for technology-based firms, because such companies "have talent needs that require specific and timely solutions" (l. 3015).

Recall, however, the scope of Peters' management prescriptions: specific and timely solutions are not just the requisite of technology firms since differentiating is encouraged across all products and services from the Blackberry to Lima Beans. The high-tech industry sets the standards and outlines the cost-benefit ratios involved with substantial contract labour, while non-tech business follows suit in the rush to meet consumer demand or open new markets as per Peters' suggestions. Even organizations that have traditionally been identified as non-market entities have felt the impact of current corporate seachange. One such example (which, thanks to Marc Bousquet's influential *Workplace* journal, has received considerable attention from the academic community) is post-secondary education. Peter Babiak, a sessional English instructor at the University of British Columbia, refers to these institutions as "the new knowledge factories" (43). The conventional preparatory role of colleges and universities once allowed these organizations an *a priori* relation to the market. Profitability remained a priority, yet the primary foci of previous decades were issues concerning those members preparing for workforce entry. In this sense, the only control exerted by the market was how many and what type of engineers, chemists, psychologists and so on were required for any given period. Of course, even this situation had measurable impact on the numbers and qualifications of the symbol analysts who produced those competitive labour pools. Yet in the last decade, as Babiak explains, knowledge labour has been greatly affected as the ivory tower sheds its academic detachment in favor of corporate practices: "as budgets shrink and governments cut funding to education, universities downsize. When this happens, they start acting like market-driven knowledge factories. One of the ways they become more cost-efficient is by replacing permanent teaching positions with a pool of cheap, disposable teachers, which is easy to do given the oversupply of qualified personnel" (43). This phenomenon is not limited to institutions that rely on government subsidies. It is also manifested in private – and ivy league – universities in the U. S.; as of 1999, 70 percent of the actual teaching undertaken at Yale was performed by contract labourers (Babiak 47). Bousquet's explanation of this trend highlights the extent of Peters' influence on management techniques across sectors, since the defining characteristic of post-secondary management is that "it has managed to conceal its…less than critical adherence to what Thomas Frank dubs the 'market god' and its concomitant elevation of corporate management to a priestly class" (24). What Bousquet deems the pragmatist-managerial version of materialism is highly consonant with motivating factors of the management revolution. The effects, as outlined by Bousquet, point to the wide and sinister implications that this pragmatism wreaks on organizations, as he notes that while materialism generally accedes to individual agency (manifested, for instance, in Marx's preoccupation with praxis), pragmatic management does not. The result is that "collective human agencies are conspicuously absent. Even the agency of individuals is radically evacuated: for pragmatists, markets are real agents, and persons generally are not, except in their acquiescence to market dicta" (25). Thus we see that the market fetishism comprising and arising out of Peters' management doctrine has a built-in rhetorical framework that belies human activity. In such a working environment, the tendency to rely on contract labour and the inevitable phaseouts that accompany those contracts are exempt from due moral and ethical consideration.

Morality (connected to the fate of individual workers) and ethics (related to the legislation that aims to protect those workers) are inextricably attached to non-standard work arrangements for one reason: casualization is exploitation. As I have shown above, the first casualty of contract labour is security. This is usually overlooked given the exorbitant pay that independent knowledge workers sometimes command. High pay for the duration of a contract, however, is quickly annulled when another contract is years away, and continued competitiveness requires costly training programs[4]. In a study of the New Economy in Canada, pollster Angus Reid provides a concise account of the nature of contract work: while some entrepreneurs achieve a measure of success, "most of them have become 'just-in-time' workers, used when they're needed and then discarded, perfect tools for the efficient just-in-time economy. Once they were parts of teams designed to make corporations more competitive. They're still competing, only now they compete against each other" (20). As Peters' notions of volatility and change, niche-market orientation, and customer obsession are inculcated by an increasing amount of organizations, only those symbol analysts with the most relevant (read, most current) training have viable contract options. Thus a knowledge worker not only contends with a market fetishism that tightens or loosens respective labour pools with great frequency, but also with every other phased-out symbol analyst willing to pay for renewed training. The ultimate benefactors of this arrangement are, of course, the corporate entities themselves. Otherwise, Peters' prescriptions would not carry so much weight across industries. And for knowledge workers, the corporate gains enabled through flexible labour arrangements come not just at the cost of security, but with all benefits

[4] As Angus Reid describes, workers in the New Economy are forced to "train, train and retrain, and pray [they] don't fall off the merry-go-round as it gathers speed" (169). We can thus revise Drucker's definition of knowledge workers as those with advanced, formal, and perpetual schooling.

traditionally associated with full-time work. Although some of the more lucrative contracts include retirement funds and other payouts, the majority do not. Susan Houseman, conducting a survey for the Upjohn Institute for Employment Research, compiled benefit comparisons for non-standard versus full-time labourers. For the purposes of this paper, the contract positions normally occupied by symbol analysts fall under Houseman's heading of short term direct hires.[5] Of this group, 11 percent received paid holidays or vacation pay, 5.7 percent were allowed paid sick-leave, 3.8 percent were given pension considerations, none were involved with profit or gain sharing, and 9.5 percent received health insurance or similar coverage. Compare this to full-time percentages of 95.7, 82.4, 71.4, 37.1, and 93.8 respectively. The overall numbers for short-term direct hires receiving any of the above benefits was 16.2 percent, while full-time labourers secured nearly 98 percent of the same (table 7). Reductions in benefit costs resulted in a lower per-hour wage of contract labourers for 59.4 percent of organizations surveyed. What is most surprising, and what secures the argument for exploitation, is that before benefit costs, 8.7 percent of organizations reported higher per-hour wages for contract employees, while nearly 22 percent stated a *decrease* in cost compared to full-time labour (Table 6). The "just-in-time" production systems together with the flexibility insisted upon by Peters have been the real impetus behind increases in contract labour, the exploitive conditions which allow companies like Iridium described above to either establish huge frameworks under a one-time labour cost, or continually diversify products and services using a steady flow of short term knowledge workers.

III. Implications

[5] The other categories under consideration were part-time, on-call, and agency temporaries.

To read accounts of symbol analysts, their roles in the workplace and society at large, is certainly not to realize any of the conditions just outlined. Rather, the efforts of knowledge workers – even their reliance upon contract work – are glorified even in the most seemingly detached accounts of this labour segment. Reich, for instance, cannot resist description of the symbol analyst's work environment: while others in routine production and in-person service sectors are relegated to the factory floor or the utility closet, knowledge workers operate "within spaces that are quiet and tastefully decorated. Soft lights, wall-to-wall carpeting, beige and puce colors are preferred. Such calm surroundings typically are encased within tall steel-and-glass buildings or within long, low postmodernist structures carved into hillsides and encircled by expanses of well-manicured lawn" (179). Inclusion of this statement (as one among many highlighting the comparatively comfortable labour situations of the average symbol analyst) diverts attention away from the issues raised above and renders knowledge-worker exploitation a difficult subject to broach. It is not as though, as Reich's description implies, the conditions are constructed or even necessarily demanded by the knowledge workers themselves. The fact remains that corporate profits required for such settings are shared to a much lesser extent by contracted knowledge labour compared to other groups within the company. Yet according to Reich, this is of little concern since "the 'work' of symbol analysts…often involves puzzles, experiments, games, a significant amount of chatter, and substantial discretion over what to do next…Many symbolic analysts would 'work' even if money were no object" (222). If payment is not worthy of consideration, surely reductions in security and benefits should be overlooked by both organizations and the analysts themselves. The proliferation of this ethos has prompted Thomas Frank, in his usual trenchant manner, to remark that in the 1990s, "so powerful was this fantasy of the omnipotent 'knowledge worker' in the corporate imagination of the decade that even the casualization of the white-collar workforce could be understood as just another victory for those militant new proletarians" (203-4). And, as per the argument here, Frank further notes that this shift in corporate culture was in large part due to Peters' reengineering principles:

> the real result that management theory of the nineties aimed to secure, then, was not so much quality as quiescence; submission to the corporate agenda both in the workplace and in politics. And measured according to this standard, the management theory of the nineties – even with all its bullshit, its fads, its jargon – worked exceedingly well. It was thanks at least in part to the hyperbolic prose of Tom Peters that so many of the downsized agreed that what had happened to them was right, was necessary, was justified; it was thanks to the revolutionary crowing of *Fast Company* that so many left the parking lots of their former employers in such an orderly fashion, talking confidently about their impending careers as 'free agents'" (180).

Although fetishizing the knowledge worker as the harbinger of New Economy profitability prohibits investigation into the actual conditions of their employment and provides an easy rhetoric to placate those affected by phaseouts and restructuring, there yet exists a more ominous type of argument relative to this labour group.

According to D. C. Hodges and Larry Lustig, the new political economy no longer favors traditional bourgeoisie, but instead has lent the majority share of power and status to symbol analysts, or, the "expertoisie." In addition to the three traditional class determinants of land, labour, and capital, Hodges and Lustig add expertise as a new seminal element. This claim is warranted, they feel, since knowledge work has become a "decisive factor of production" (372). To transpose the terms of the new and old economies, the owners of the means of production who occupied the upper echelons of the past epoch have been replaced by the owners of the means of innovation, niche-market capability, and flexibility. The real productive forces, according to Hodges and

Lustig, no longer reside in the real-estate or equipment or capital of corporate owners, but rather in the minds of the symbol analysts who lend those corporations a competitive place in fragmented markets. This argument has been further extended by Drucker and results in his conclusion that as a consequence of the New Economy focus on knowledge labour, capitalism itself – with its old dialectic of haves and have-nots – has actually ceased to be the predominant Western economic model. A fervent idealist, Drucker maintains that the post-capitalist society is the first "where upward mobility is potentially unlimited. Knowledge differs from all other means of production in that it cannot be inherited or bequeathed. It has to be acquired anew by every individual, and everyone starts out with the same total ignorance"; moreover, the quest for knowledge that, presumably, can be peddled as relevant to corporate interests is "always universally accessible, or quickly becomes so" (workforce, 12). Undue optimism aside, knowledge workers in Drucker's post-capitalist universe will comprise the dominant social collective. Consonant with Hodges and Lustig's political-economic enquiry, the knowledge worker is the new owner of the means of goods and service creation. Drucker maintains that the specialized expertise of the symbol analyst is "fast becoming the sole factor of production, sidelining both capital and labour" (post, 20). As a result, the Marxist preoccupation with alienation under the Capitalist model, like so many manifestations of production technology, has been rendered obsolete.

What Hodges, Lustig, and Drucker fail to properly account for, however, are the networks, clients, contacts, resources, and capital by any other name that is still required for knowledge worker employment. A satellite technician, software developer, or commercial tactician is only useful if companies like Iridium exist to employ them. All of the symbol analyst adulation and market fetishizing in the world cannot alter this fact.

The myriad base-structure changes that Drucker has personally witnessed over the last half-century have no doubt prevented his attention to the unchanging superstructure of productive relations. Capital may indeed be fluid and fortunes may ebb and flow with corporate seachange, but the liquidity of resources demand that they pool in the deepest pockets. Refusing to acknowledge this persistent economic circumstance, Drucker instead asserts that in the post-capitalist era, "the employee and the tools of production are interdependent. One cannot function without the other. And while the tools of production, such as the ultrasound analyzer, are fixed in place, the technician who knows how to run them and how to interpret their readings has mobility. The machine is dependent on the employee, not the other way around" (post, 65). Unfortunately for Drucker, something cannot be simultaneously interdependent and dependent. The truth is that the machines – be they cardiograms or robotic welders – preempt the knowledge workers that manipulate them. The existence of these tools allows for specialized training and lends value to knowledge labour, not vice-versa. And so the owners of the actual technology, the physical means of production for which a great deal of capital is still required, ultimately exert control over the fate of symbol analysts. This is clearly evidenced by the casualization trends and accompanying reductions in security, benefits, and pay that is noted above. It is irresponsible, then, for Drucker or analysts like Hodge and Lustig to contend that Marxist socio-economic theory is no longer viable. By arguing for the irrelevance of that framework, the class divisions that now exist (which are not altogether different from those of Marx's own epoch) are effectively glossed over in social, political, and economic accounts of the current era. In all their zeal to promote the New Economy, the demise of capitalism, and the irrelevance of Marxism, economists (political or otherwise) have failed to consider the actual working conditions of the purported new bourgeoisie, and the notions of inequality that underlie Marxist enquiry. Instead, there is a notable preoccupation with the historically outmoded terms of analysis in works like *Capital* and *The Grundrisse*. In their delineation of the new political economy, for instance, Hodges and Lustig cite Marx's location of intellectual capital in the upper strata of the proletariat as evidence of the irrelevance of his theories in the current epoch. They further argue that as a collective, symbol analysts are "neither a stratum of the capitalist class nor a stratum of the so-called working class. They are a class in and for themselves as the history of their relation to labour and capital in America through the twentieth century clearly indicates" (378). Given those conditions arising out of Peters' rhetoric outlined above, this statement is patently false. Moreover, the reduction of union activity in favor of a "free-agency" ethos has been widely acknowledged by Bousquet, Frank, Reich, and presenters at the NAALC labour conference. Add to this the competitive environment described by Reid, and it becomes clear that symbol analysts do not constitute a class in and for themselves. Thus, not only are the productive relations between corporate owners and knowledge workers similar to the dynamics of the bourgeois and proletariat, but the opportunities afforded to prior alienated groups under the aegis of solidarity has now vanished. One need only look to Marx's early work in *The German Ideology*, to understand the evolution of this situation:

> "The ideas of the ruling class are in every epoch the ruling ideas: i.e., the class which is the ruling *material* force of society, is at the same it its ruling *intellectual* force. The class which has the means of material production at its disposal, has control at the same time over the means of mental production, so that thereby, generally speaking, the ideas of those who lack the means of mental production are subject to it. The ruling ideas are nothing more than the ideal expression of the dominant material relationships" (Tucker 172).

Capital-rich organizations thus only needed a suitable rhetor to identify, delineate, and disseminate the intellectual counterpart to their ownership of the material productive forces in the New Economy. Tom Peters, of course, picked up that gauntlet with a zealousness that has not only maintained, but furthered the exploitation of the knowledge workforce. It is his fetishizing of volatile markets and demands for a pervasive customer orientation, coupled with the socioeconomic tenets of post-capitalist thought, that have enforced the dominance of the corporate class, and perhaps more perilous, placated the symbol analysts who, like the medium of their trade, undergo serious manipulation. This situation and its origin has been properly identified by Thomas Frank, as he notes that "management literature is the wellspring of nearly every element of the corporate ideology…Above all, it explains the ways of the mighty so they might be better honored, better imitated by us the lowly" (173). The progenitive text of that quasi-literary idiom, identified both here and by Frank, is of course *Thriving on Chaos*. The self-perpetuating mechanism of volatility and customer orientation secured the widespread alienation of knowledge workers, while the downward flow of management principles simultaneously convinced the group that such is not only necessary, but positive for all involved. The casualization of labour is thus perceived, even by those who stand to lose the advantages of traditional work arrangements, as a thoroughly beneficial phenomenon. And even if the trend toward flexible labour was sufficiently identified as an exploitive practice, symbol analysts stand to gain nothing by organizing their ranks or seeking outside representation since the situation is beyond praxis given the decisive factor of fragmented markets. Or at least, that is how Peters' revolutionary doctrine would have it. But as more and more analysts like Bousquet have begun to identify, the benefits of this pragmatism are exclusive to an ever-decreasing segment of the organizational universe.

What he and Thomas Frank in particular have pointed out deserves consideration in the larger corporate ethos, and begins with the realization that "markets don't exist transhistorically; they have reality to the extent that they are installed and maintained by human agents devoted to achieving particular market ideals. Pragmatist idealizations of the market conceal the human agency in the creation and maintenance of markets" (Bousquet 25). While assertions of the demise of capitalism and the consciousness represented by its antithesis in Marxism inform the social, political, and economic sentiments of this epoch, the market fetishizing of Tom Peters sanctions the removal of agency, and thus culpability, apparent in corporate behavior. The combined effects in turn have demonstrably negative implications for those symbol analysts that subscribe to misleading veneration in the New Economy.

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