Towards the end of 2015, the ephemera collective organised, chaired and participated within two separate Q+A panels celebrating the launch of Gerard Hanlon’s *The dark side of management: A secret history of management theory*. The events took place in The University of Leicester’s School of Management and Copenhagen Business School’s Management, Politics and Philosophy Department. Each of the events were recorded, transcribed, edited and amalgamated into the following feature.

**ephemera**: Let’s start with an overview and some introductory remarks.

**Gerard Hanlon (henceforth GH)**: The book starts with the period around the 1830s in the United States and tries to explain the emergence of management there. It considers how management, understood in a broad sense as the management of society and populations as well as the management of organizations, is really one part in a much wider socio-political struggle. This struggle is largely waged from above and involves three institutions: the state, the market and then later the organization.

The introductory chapter maps out the book while the second chapter looks at capitalism and organizational life in the United States by considering the transition towards corporate capitalism. Here I ask why Americans in the 1800s prioritized personal independence and the Republican ideal of not being beholden to an employer or to a manager. Or, put differently: why was it so important to be independent in terms of owning land and independent in terms of holding a craft?
I use the example of the Amherst Carriage Company in Massachusetts here. The creation of this company sparked intense arguments between a group of craftsmen, on the one hand, and a group of investors, on the other. The craftsmen were basically saying that they were the value producers. That the investors, by contrast, just had wealth and were set on converting a public company into a monopoly for their own private benefit. So they saw the investors as a threat to their livelihood and their progression from apprentice to master. These matters were debated in the Senate and the House of Representatives in Massachusetts State and in different communities within Massachusetts. In the end, Amherst Carriage received company status. The main argument used in favour of this decision was that private wealth led to entrepreneurship, to new forms of organization, to new forms of authority and to new market forms, all of which were considered good and progressive. The old system organized around craftsmanship and community based production suddenly became yesterday’s news.

This and many other similar legal decisions beckoned in a new economy and a new way of organizing life. Abraham Lincoln said, in 1861, that if you are an employee you had somehow failed. It was a bit like what Margaret Thatcher said over a century later: if you’re on public transport past 26 years of age, you’ve failed. Being employed in your 30s just wasn’t the American way. The American way is about being independent. So what we see here is a transition that occurs around a period of 30 or 40 years. This was not only a transformation of society, but also a transformation in how Americans thought about themselves, employment and corporations.

Accompanying this change was the rise of the industrial factory, often staffed by immigrants. Consider the example of Lowell’s Textile Mills. Previously, the factory had been a place where women worked for a few years before they returned to another life. In the new economic landscape, however, factories grew bigger and bigger and were mainly staffed by immigrant women with nowhere else to go. As a result, the factory became a place organized around immigration and dependency. It contributed to the collapse of other forms of independence, like the ownership of ‘free land’ as the Americans used to call it, but also the collapse of independent craftsmanship. One of the major consequences of this transition is to make dependency and personal vulnerability a fundamental part of organizational life.

And so I consider the role of management theory and practice around the time. I consider the role of Taylor and his peers within this wider social process. The

book explores the emergence of corporate capitalism in America as a political project. Management, that is, need not be understood as the creation of functional solutions to a set of operational problems but rather as a political project which changes how people think about their lives, their employment and their autonomy.

Take, for example, the mental transition that occurs from the ‘inside contract’ to Taylorism. Essentially, the inside contract consisted of the fact that owners with capital hire craftspeople to produce certain products. Every year, the owners with capital had to bargain with the craftsmen over the price for their services. The craftspeople, for their part, could use their knowledge to innovate and act entrepreneurially in order to make sure that they could make a profit, even while the price of the product decreased. On this basis, innovation was a by-product of the interaction between capital owners and craftspeople. This inside contract was killed off, however, because people like Taylor pushed for the deskilling of labour and the expropriation of knowledge. The state plays an important role here. In the United States, the state has often pushed for the extension of market forces, even without democratic sanction. So, if we are to believe some historians, Presidents managed to push through pro-market reforms with the support of the elite government representatives and elite judiciaries, even though the population voted against these sorts of proposals. This period of transformation fascinated me and, through a Marxist analysis, I wanted to understand the role played by management within these broader social trends.

Marx emphasises compulsion and cooperation: how employers hire individuals to do a job but gain the added benefits of their cooperation and their sociality. The cooperativeness of labour allows capital to extract profit. And yet, within that situation, management acts as a sort of authority figure. Marx argued that the free gifts of sociality, of shared knowledge, of the shared capacity to innovate and to change, are provided by labour and expropriated by capital. Feminists have long highlighted the free gift of social reproduction – that free work is done for the owners of capital long before people get to the factory. Capital, that is, has already been given these free gifts, people have already been socialised and form a base on which capital is reproduced.

So I was interested in these hidden abodes of cooperation, inside and outside of work, and in how these were generative of value for capital. I suggest, through modern debates around labour, that these free gifts have been increasing. That, in the transition from independence to dependence, we give more freely and more frequently. And I was interested in the work of Panzieri who said that, with the increase in the giving of these free gifts, what also increases is social planning.
On the interplay between freely chosen activity and centrally planned activity, I was inspired by Silvia Federici’s book *Caliban and the witch*. Federici suggests we should pay more attention to Hobbes and to Descartes, rather than to Rousseau, if we want to understand the current situation. In Hobbes, we find the centralizing office, repression, punishment and rules. In Descartes, we find the autonomous subject taking control of itself and its world. For Federici, Hobbes and Descartes represent two twin features of enlightenment thought. And following her, I wanted to track down management’s twin features by comparing Taylor’s centralising office with Hobbes, on the one hand, and Mayo, Maslow and McGregor’s emphasis on the importance of improving, managing, controlling and delivering ourselves in different ways with Descartes, on the other. Even Weber, with his focus on both bureaucracy and charismatic leadership, drew attention to what he called the double nature of capitalism, involving both discipline and self-control. So I was interested in how the ideas of Hobbes and Descartes interact in management by being complementary rather than oppositional.

Seen in this light scientific management and human relations are not incommensurate, they rather complement one other. Mayo told the Taylor society that what he wanted to do was a kind of Taylorisation of the mind. And it would be wrong to say that Taylor wasn’t interested in both discipline and self-control. He was interested in regulating people so that he could change their subjectivity and he did this by breaking their collective bonds and by imposing individualism upon them. Weber highlights something similar with bureaucracy and charismatic authority.

Throughout my tracking of these complementary strands, I consider the interaction between the state, the market and the organisation. These three institutions deliver particular types of subjectivity and are aligned by the shared desire to shape social relations. So when Adam Smith talks about the market, for example, he is talking about creating a new person. For Smith, the market will encourage the ‘inferior ranks’, as he calls them, to adopt thrift and good management. Smith is trying to create, through this institution of the market, new knowledges, authority, expertise, and ultimately new ways of being. And while Smith is talking about the marketplace, my book looks at how management theorists talk about the organisation.

Along these lines, I associate early management thought and early neo-liberal thought. So when you read what the neo-liberal pioneer Walter Lippman wrote in the 1920s you can see that his ideas are very similar to those of Elton Mayo. Mayo’s *Democracy and freedom*, for example, is about keeping the state small, about using the organisation and the marketplace to develop new routines and
about the irrationality of the masses. Lippman says the same kind of things. Early management thought, much like early neo-liberal thought, considered the organisation as a means of reshaping individual subjects. Referring to Taylor, Weber describes the creation of discipline as the loss of individuality and independence in pursuit of a common cause. He highlights how factories and organisations are sites in which discipline is both enacted and resisted. The managed organisation, that is, becomes a disciplining and hierarchical moment that both manages populations and creates ways of being.

Very different kinds of intellectuals – Taylor, Weber, Mayo and McGregor – propose very similar solutions to the political problem of subjectivity production. They hoped the requisite subjectivity could perhaps no longer be as hostile to capitalism as the industrial world unfolded. Management and the idea of the managed organisation were central throughout this process. Robert Michels, for example, makes it very clear that, while the managed organisation inevitably leads to oligarchy, this is a good thing because elites should rule. For him, leadership, authority and obedience are natural and so, it follows, should dependence be. Mayo and Taylor echo these ideas and so the book closes with the claim that management is one of the first neo-liberal sciences with anti-democratic elitism and authoritarianism at its heart.

ephemera: Thanks for that. You write this in the introduction:

No longer do we trade technical, professional expert skills, today we sell personality. And what do we get with the sale of our personalities? The answer it seems is personal dependency. What else can it mean to be authentic, or as Peter Fleming expresses it, to be yourself at work? To comment on this, is simply to recognize that Mills was correct when he noted ‘that personal traits become part of the means of production’. (Mills, 1951: 255, c.f. Hanlon, 2016: 3)

Management, you argue, plays an important role in this process. That role is very seldom benign, very often malignant. Is it difficult to make this allegation within a Business School?

GH: I find this Business School problem both interesting and a bit redundant! The Schools of Business and Management that I’ve had dealings with seem quite obsessed with whether or not they’re performing a sufficiently critical function. And often I think there’s a consequential problem of treating management as a mere object for criticism. So ‘critical’ management scholars get interested in Foucault, or Bourdieu or Habermas, or whoever, and they then use some of these theorists work to criticise something about management. I wanted to push back a little against that tendency with the book, not because I don’t see any value in it but rather because I think it often ends up not taking management theory
seriously. In this I was quite influenced by Bendix’s book which is now about 60 years old. Following his advice, I think it is important to consider the pioneers of management with respect to their ambitions. What sort of society did they want to achieve with their work? Asking this sort of question, it seemed to me, might be more useful than asking how Foucault or Bourdieu or Deleuze might see these figures and their ambitions.

Thinking beyond business and management studies, it was also clear to me that when I read David Harvey, Nigel Thrift and other contemporary commentators, it is clear that they don’t know very much about management theory which is understandable – why should they if we ourselves sometimes vacate our own field? So when I was planning the book I thought it’d be useful for management scholars to read management theory not as an object for dismissal or as technical solutions that do not work etc. but rather as a political project. That it might be important to consider their work in the context of the times they were living and the struggles that they were involved in. I spend a lot of time on the examples of Taylor and Mayo but it need not just be them. Of somebody like Tom Peters or Peter Drucker we can say: yes they’re ideological, yes they’re biased, but that doesn’t mean that we should discount their work or treat it any less seriously.

Or consider Abraham Maslow. I didn’t realise he was so extreme! His hierarchy of needs is taught everywhere but harbours a hugely damaging presumption. Only some can achieve self-actuation, he affirms, and if you cannot the problem lies in you, not the job. It’s an incredibly conservative position dressed up as enabling on. In the Business School we sometimes don’t subject our actual topic to the attention it warrants. We don’t subject it to the kind of analysis that I think we should. And I think we need to take mainstream management theorists seriously if we are to provide a critique of them, rather than using them as a convenient prop for philosophical exegesis.

I was also a little frustrated with our work on organisations and subjectivity. Rather than examining about how individuals create themselves through work, I wanted to look at how organisations and subjectivity are sociological outcomes. I read a lot about how individuals negotiate themselves through their work and wanted instead to write about how organisations shape individuals through routines and of how these were struggled. Management becomes an important subject in its own right in this regard. One of the things you can accuse the book of is not taking resistance seriously enough. That’s fair comment but there are lots of good studies of this nature already. To my mind, if you want to discuss contemporary capitalism, you need to consider what its proponents are trying to achieve. And this is why I emphasise management because it is a fundamental
tool of social struggle. Yes, management is resisted. But the story of resistance isn’t the only one worth telling.

So the jobs which Mills was writing about in the 50s, where people sell their personality and subjectivity, are rooted in early management thought. Subjectivity gets moulded both inside and outside of work. The capitalist’s reach, the manager’s reach, now extends far beyond the factory, the office and the department store and this was what elite management desired. Today, with the extension of dependency, individuals are compelled to modify their very selves so that they might be employable. This echoes the sentiments of Taylor and Mayo and, earlier still, the anxieties of the Amherst Craftspeople. I am interested in this continuity – this attempt by anti-democratic elites to wage class struggle from above over a long period of time. It is in this crucible that management was born.

**ephemera:** Sometimes you use historical data in order to account for the influence of management, but sometimes you also use historical evidence in order to criticise management theory. So how do you conceive the relationship between theory and practice of management? Do you think they’re closely aligned in what we might call its’ classical age?

**GH:** When I started work on the book I was most interested in how the political plans which Taylor, Weber, Mayo and McGregor had devised ran up against industrial and social relations, only to be resisted. These fascinating tensions are always implicit and sometimes explicit in the texts themselves. But I ended up becoming more interested in how this body of work, despite being resisted, nevertheless revealed an elitist political agenda which persisted on despite massive resistance. I do not think that many would read such theorists today with the goal of implementing their ideas. However, when you read them you get a glimpse of their world view. And I think that this world view can teach us much about our own time. So the reason for reading management gurus like Tom Peters or Gary Hamel, much like the classics, is that they present a world view which may not be achieved but is very definitely related to the society in which we live.

**ephemera:** Your book is not about managers but management. So what about managers? We might say that the history of managers coincides with the history of management, because managers are on the side of management. But haven’t mangers themselves become objects of management? Much of the airport literature on management, for example, not only advises managers how they should deal with employees but also about how they should deal with themselves. So where is the class struggle dimension to all of this?
GH: Taylor knows he’s involved in a class war – he writes about being chased down the road by disgruntled workers! So does Mayo which is why he brands the workforce as irrational. They know that society is up for grabs, and therefore they’re highlighting what management is really all about. Today this class struggle persists because the 1% owns so much. As Warren Buffet says, there is a class struggle and his class is winning (2011). How this class struggle gets manifested, however, is neither static nor straightforward.

Implicitly in the book, there is a thread that deals with this issue but it is not made explicit because it would have changed the book fundamentally. I take this implicit thread up from Sven Lindqvist’s *A history of bombing*. Bombing, he shows, starts in the colonies and then gets pulled back into the core of the Western society. We can find the same logic pertaining to the history of management. Management initially targeted the most vulnerable groups in society. Consider the factories in America. The logic here is that you give men jobs outside the factory and the women and children jobs in the factory because the men wouldn’t do it and they had more power. So you start out with the most vulnerable and then you work your way through the ranks of society. And this is what happens when you go after craft workers.

And we, working in the universities, are now becoming more precarious albeit it in different ways. After you have obtained your PhD at the university, you may or may not get a job and you may or may not work part time. All you know, all you’ve studied, all you’ve learned: it provides no guarantees. For management keeps pulling more and more groups into its domain. Witness the huge levels of inequality we’ve been experiencing in the last 20 years. And yet ours is a world that Robert Michels would have been quite content with. Or Walter Lippman for that matter! Or even Elton Mayo! And I agree that we now can see management attacking managers. Andy Haldane (2015), chief economist for the Bank of England was talking about the need to rewrite company law because companies are eating themselves up to provide what Haldane judges as excess shareholder value. Thus, the elite strip out any value of companies and now go after managers and innovation and all these things. We need to actually worry about this.

*ephemera*: We usually present the history of management as involving a radical break, from a focus on control and calculation in the period between the Second World War and the 1970s, to a subsequent epoch which emphasises charisma and so forth. Your book challenges that presentation quite directly. So I’d be interested to hear your thoughts about authority and leadership. As you show, the authority of the leader is accepted because we recognize something extraordinary in him or her, because they represent a vision which their followers
share. But it is less clear how authority plays out in management. So what is the basis for managerial authority and what is its relationship to violence?

**GH**: I’m writing about the authority to reshape the division of labour in society and to define the roles that underpin this process. Take the authority involved in having a craft, for example. From a managerial perspective, a knowledgeable worker is dangerous to an organization, because knowledge is a form of authority that might challenge the hierarchy. Thus, having a craft is a form of authority that conflicts with the idea that management has the authority to govern the labour process. So I use the concept of authority in a bureaucratic sense. In Weber’s view on bureaucracy, roles involve authority. If you have a specific role, then you should be listened to, regardless of whether or not you know what you’re talking about. Reshaping the division of labour therefore allows for the rearrangement of authority and even the re-composition of social structures. In the course of the 20th Century, changes in the division of labour have undermined many of the traditional forms of authority that were previously dominant, giving rise to new forms of authority. This is the story of the emergence of management as a distinct profession and my point is that it involved a violent transition in the nature of authority.

Management has effects beyond the governing of organizations: it also goes to work on workers themselves. For example, Mayo was interested in the total situation of the workers, so management could reshape them both inside and outside of work. This obliges workers to accept that work could ameliorate problems in their domestic lives. Along similar lines, Maslow talks about how you can self-actualize which involves a process of change. He uses the example of how a woman can self-actualize through diaper duty, because it involves love for the baby. So management is not only about changing work, it is also about changing desires, motives, convictions, beliefs and so on. The authority of management works on both fronts: both on the exterior level and on the interior level. Think about the UK government’s current onslaught on people who don’t want to work, or can’t work. Now, this is an example of violence that involves force, but it also works proposing we find happiness through work. Authority works both by persuasion and by coercion. So craft knowledge, for example, can no longer protect workers in the way that it used to do. Contemporary management strips away the authority of workers, making them dependent and vulnerable.

**ephemera**: I’m not always rational. Nor, I suspect, are you. And what’s wrong with not always being rational? I don’t understand why you make such a big issue about Mayo’s accusations of irrationality. Your book seems to dogmatically assume that it is a bad thing to call workers irrational. And that, in Mayo’s case,
an unsavoury politics lies hidden beneath these for you derogatory remarks. But could we not say that in calling workers irrational he is liberating them from the ridiculous chains of *homo economics*, precisely by recognising their humanity, that is, their irrationality?

GH: Mayo is quite deliberately declaring the workforce irrational for political reasons in the same way as colonised people were deemed incapable of looking after themselves. It is to legitimate political interventions from above. Walter Lippmann concedes as much: colonialism is a terrible thing, he argues, unless it brings in the market. Mayo was doing much the same thing. He is not opposing hope, democracy and freedom to reason, he’s actually saying democracy is a bad thing because most citizen-workers don’t know their own interests. Mayo is not an Enlightenment intellectual in the positive sense of pursuing freedom. He is set on maintaining the class interests he serves by undermining the claims of the masses through de-legitimation.

*ephemera*: We often hear how classical management thinking was aimed at utilising worker’s bodies while contemporary forms of management is geared towards incorporating worker’s subjectivity into the productive logic of the organisation. Against this assumption, you show that management has always been about moulding worker’s subjectivities. Haven’t there been important breaks between modern and contemporary management thinking nevertheless? Take the example of Gary Hamel. He would say that the legacy of Taylor and Weber turns the organisation into a creative apartheid. He tries to offer a radically different approach to management which turns the organisation into a privileged site of self-realisation in which employees can freely express their creative ideas. Isn’t that a real shift from a bureaucratic to a post-bureaucratic managerial mind-set?

GH: I think that what Hamel really wants to do is create competition among employees and bring the market into the organization. So here competition is imposed from above, in order to unleash creativity. But Taylor also wanted to create competition in the organisation, Maslow too. So on this count, at least, I do not see bureaucracy and post-bureaucracy as radically different. Maslow is talking about creative insecurity while Hamel is talking about letting everybody find their creative moment. In a strange way, they’re both saying that we don’t need to manage people, but that we nevertheless need to manage them. That this is natural and yet we have to bring it into being. It is as if post-bureaucracy needs bureaucracy alongside it.

What is more, Hamel proposes the sort of neo-liberal organisation which Mayo was already talking about in the 1920s and 1930s. Mayo talks about spontaneous
cooperation that has to be managed, in the same way as Hayek talks about spontaneity that has to be created and managed. The solutions might be different, but the result is the same. Further, neoliberalism is anti-democratic but not anti-bureaucratic, although society also needs to have a ‘charismatic elite’ and innovators who can keep things going, according to Weber, Michels, Taylor, Mayo etc. despite differences between them. While Hamel wants competition to infiltrate the organization, he also wants to preserve bureaucracy because he thinks we need to measure the results. So I’m not sure that what Hamel is saying is so radically different. We have spontaneous cooperation, which might result in a trade union, so then he says that we can’t be having that kind of spontaneity!

ephemera: If management represents capitalism’s intervention into the worker’s spirit at an industrial level, what sort of intervention is made into the debtor’s spirit by finance? I’m thinking in particular of the recent work of Berardi, Marrazzi and Lazzaratto here.

GH: Yes, debt is a central way of ensuring that people are ready to work today but in the past, certainly in the United States, you arrive off the boat – a female with children – and you’re already more than ready to work. The debtor has to work to repay the debt but the migrant has to work because they’re vulnerable from the outset. Capitalism requires vulnerability and management has been a key agent in its manufacture. Perhaps, with financialisation, we are witnessing the emergence of new forms of vulnerability: debt, housing, welfare, all of which push you into work.

ephemera: You’re speaking to a mostly sympathetic audience here but how, if at all, might you make this book appeal to advocates of and apologists for contemporary management?

GH: Of the thousand or so who show up to the Academy of Management conference, I reckon at least 800 simply won’t be having it. That’s fair enough maybe. And maybe that’s my own fault. On the one hand, I’m not too keen to present myself – or my book – as Critical Management studies, for reasons I’ve already touched on. But on the other hand I’m even less keen to appeal to mainstream management. So where does that leave me? This book treats management as an object which requires the attention of historians, political theorists, anthropologists and management scholars.

ephemera: I like that there are organisers who see to it that things don’t fall apart. This doesn’t mean you should write a bright side of management to compliment what you have written here – there’s already enough of them – but it does mean that you might be tarring all forms of organisation with the same brush.
GH: I guess you could try to make the case for self-organising and all those sorts of things but to actually run something like the NHS I’m not so sure that would be a sensible answer.

ephemera: You were once the head of department for a Business School for quite a long time: a manager, indeed. Should we read something of that period into this book?

GH: It would have been a completely different project to articulate what we could positively do about management, whether within Business Schools, or not. But too much of that sort of stuff has already been written. I wanted to write something which was neither prematurely dismissive of management nor prematurely apologetic for it. Perhaps, as you seem to be suggesting, the biographical subtext adds something to the book’s interpretation. I’d rather it didn’t because I conceived this not as a work of auto-ethnography but rather as a historical sociology of the dark side of management.

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