A Question of Power: How does Management Retain It?

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Executive Summary

This paper examines whether the concept of learning organizations is a myth and if it is possible to intertwine workplace democracy with profitability. Theoretically, learning organizations have the capacity to achieve the goals of socialists, i.e., worker participation, employee empowerment, and full profit sharing amongst members at all levels of the organization. This paper draws upon various power discourses present in management and social sciences literature and empirical data gathered from two case studies of professional accounting firms to examine whether the notion of democratic knowledge generating environments is realistic.

According to Lukes' and Gramsci (1971), it is possible to shape the cognitions, perceptions, and preferences of individuals to shape and control the interests of one group over the others. Foucault (1977) discusses the various mechanisms through which such form of power can be implemented. He also develops Bentham's panopticon, the examination process, and the system of time-tables followed in schools as modern surveillance techniques like meetings, training programmes, induction schemes, culture programmes, and performance appraisal systems. This paper uses a critical methodology with its elements of "critical perspective" and "deconstruction" to analyse the interview data gathered from two professional accounting firms.

The analysis reveals the following:

➤ The learning organizations adopt the concepts of learning environments and workplace democracies and egalitarian and cooperatively minded firms to seek the cooperation and support of their employees so that the firms are able to innovate and create learning continuously to survive and meet the demands of today's business environments.

➤ The organizations believe that by linking the fulfilment of the self-actualized needs of the organizational employees with the objectives of the management, a common unified direction could be achieved.

➤ The management in these contemporary knowledge companies focus on creating such conditions which enable organizations to achieve their own objectives. The control is exercised through various surveillance techniques like meetings, training schemes, hierarchical structure, etc., under the external pretence of employee democracy and empowerment. However, the management fails to successfully mould the subjectivity of its employees.

➤ Even though the employees are aware of the management's corporate regime and its unfairness, they do not overtly resist or attack the management because they realize that their long-term career growth is linked to the survival of the management's regime. Therefore, they overtly support the management's policies, goals, and objectives and consciously uphold the banner of "socialistic models" and "employees' paradises." In other words, it is a sort of compromise between management and its workers relegating knowledge creating companies as pseudo democracies.

Recent economic crisis, highly turbulent and unpredictable business environment, stringent customers, and demanding shareholders have resulted in the need for organizations to be more flexible and innovative (Lank and Lank, 1995; Dovey, 1997; Easterby-Smith, Snell and Gheradi, 1998; Poell *et al.*, 2000). In order to survive, organizations have to focus on increasing their problem solving capacity (Klimecki, Probst and Eberl, 1994) and be able to create new products continuously (Senge, 1990; Datar *et al.*, 1997; Ayas, 1998). Innovation requires extensive data, diverse skills, and the ability to build on others' tacit knowledge and information. This would mean that more emphasis would have to be given to team work in the form of joint problem solving, project committees, and meetings. Also, more intricate and effective communication networks within an organization would prove to be useful. Innovation is dependent on employees who are highly enthusiastic, willing to experiment, and be creative. Jobs with substantial autonomy, variety, and individual involvement would offer more intrinsic motivation to perform well (Nadler and Tushman, 1991).

Because innovation requires multiple disciplines and in-depth expertise, it is the manager's responsibility to hire, train, and develop a set of individuals with diverse skills and abilities. This would enable the generation of a climate for learning and innovating. To motivate and encourage innovation, organizations would have to provide incentives based on actual performance and make innovation an important dimension of individual and group performance (Nadler and Tushman, 1991). Thus, those organizations whose sole sustainable competitive advantage is their ability to generate knowledge and learn continuously are able to "marry the individual development of every person in the organization with superior economic performance" (Senge, 1990). These organizations, are therefore, favoured by both employees and management because they make it possible to "work as a collective human project through the development of empowered work teams who collaboratively manage their every day work practices" (Dovey, 1997). Learning or knowledge companies have the capacity to achieve the goals of socialists, i.e., complete worker participation, employee empowerment, and full profit sharing amongst members at all levels of the organization (Dovey, 1997).

This paper examines whether the concept of learning organizations is a myth and whether it is really possible to intertwine workplace democracy with profitability. This paper is divided into three sections. The first two sections deal with various power and control discourses while the last section analyses and discusses the empirical data gathered from two professional accounting firms cited as learning organizations to unmask the true intentions of learning organizations and provide more information about their working environments.

DISCOURSES OF POWER AND CONTROL

There has been a consistent effort to develop management as a "system of power and authority within which different personal and group strategies are pursued" (Child, 1977). To understand the variety of ways in which the "system" and "individuals' strategic conduct" can be conceptualized, it is essential to discuss and differentiate Fox's (1974) concepts of unitary, pluralist, and radical frames of reference.

From a unitary perspective, "the structure of social relations within organizations is seen to embody rational efforts to develop the most efficient and effective means of achieving common interests and objectives" (Willmott, 1987). Management, from this position, would be defined as a rational and technical division of labour to achieve the objectives of the organization. The managers are responsible for developing an organizational framework where all the objectives of the members are secured.

The pluralist perspective criticizes the unitary standpoint as unconvincing. This frame of reference argues that employees are individuals possessing specialized training and professional qualifications. They might be motivated and influenced by certain sectional interests which could result in differences of opinions and subsequent conflicts. Managerial work here has been described as a continuous process to restrain conflicts. In other words, the enterprise can be described as a coalition of individuals and groups possessing their own perceptions and needs (Ross, 1958; 1969). The role of management is to "make decisions within a set of constraints which include employees, consumers, suppliers, government, the law, the local community, and sources of finance" (Fox, 1974). Managers have the responsibility to balance the conflicting interests to promote the welfare of the enterprise (Donovan, 1968).

This view is supported by the radical frame of reference which further argues that both unitary and pluralist perspectives fail to recognize the political and economic nature of the technical division of labour (Willmott, 1987). As Fox (1974) has said: "People do not

come together freely and spontaneously to set up work organizations; the property-less are forced by their need for a livelihood to seek access to resources, owned and controlled by a few."

The radical ideology describes organizations as social institutions where the property-less are exploited in the hands of the propertied (Fox, 1974). The function of the management is to "sustain the structure of power relations…" in the organization (Willmott, 1987). Management seeks to sustain the power structure through socialization, communication channels, and attitude formation programmes. In fact, the main feature of these various methods is to condition the beliefs and values of the employees with those of the organization under the assumption that most of the "social arrangements under which they (i.e., employees) live are the only possible ones given the 'nature of things' — a notion which usually believes in an unchangeable 'human nature'" (Fox, 1974).

In other words, management tries to maintain a "picture of work situation as characterized by harmony and trust" (Fox, 1974). Emphasis is now laid on achieving all the common objectives of the employees but, in reality, the management is interested in having: "a family spirit in the works…to try to have one side in industry and not two … our view is that to get two sides in industry, what you might term the masters on the one side and the men on the other, to get them up like two armies is really a mistake." (Forrester, 1952, as cited in Fox, 1974).

Management thus makes liberal use of metaphors like "team" and "family" to coerce employees into accepting management objectives as legitimate. So, the unitary perspective ends up as a further continuation of "master-servant conceptions which have its origins in the historical framework of society," i.e., "in the constantly asserted and enforced right of the master to demand unquestioning obedience from his [sic] servants. (Forrester, 1952: para 70 as cited in Fox, 1974).

Therefore, it is possible to argue that, within learning organizations (or knowledge creating companies), it is the intention of the management to create the impression that all is well, there is no conflict, and the organization is one big family.

POWER DEBATES

Lukes (1974) argues for a radical concept of power where management can control the thoughts, feelings, and emotions of the employees. He questions: "… is it not the supreme exercise of power to get another or others to have the desires you want them to have—that is to secure their compliance by controlling their thoughts and desires?" (Lukes, 1974).

Power can be described as a process whereby the cognition, perceptions, and preferences of individuals can be shaped to promote the interests of one group over the others (Lukes, 1974). The third dimension of power (i.e., radical concept of power) is similar to Gramsci's (1971) concept of hegemony. Hegemonic control has been defined as a process where: "the intellectual, moral, and philosophical leadership provided by the class or alliance of class and class fractions which is ruling successfully achieves its objectives of providing the fundamental outlook for the whole society" (Bocock, 1986).

Hegemony thus involves the enforcement of the beliefs and values of the dominating group with active consent of the whole organization (Clegg, 1989). Such form of power is exercised "through the control of information, through the mass media, and through the process of socialization" (Lukes, 1974). Examples of hegemonic control can be seen in schools, unions, mass media, church, and recently in contemporary organizations. For instance, Dahl (1961) explains how leaders "do not merely respond to the preferences of constituents, but also shape preferences." Another instance is of schools where "almost the entire adult population has been subjected to some degree of indoctrination" (Dahl, 1961).

In other words, the most supreme exercise of power would be where it is possible to shape the perceptions, cognition, and preferences of individuals so that they accept the existing nature of things either because they can see or imagine no alternative or simply because they consider it natural and unchangeable or as divinely ordained and beneficial (Lukes, 1974).

However, Lukes (1974) does not discuss "how" such power is exercised within organizations whereas Foucault's (1977) disciplinary analysis is solely concerned with power and its sources. The main elements of Foucault's analysis rest on his interpretations of power, knowledge, and subjectivity. Further, he is more concerned with different power mechanisms and relations which affect daily lives. Power for him is not something which can be held or possessed or embodied in an institution. "Power is not something that is achieved, seized or shared or structured, something one holds on to or allows to slip away" (Foucault, 1981); rather, it is relational, becoming "apparent when it is exercised"

(Townley, 1993). The focus of interest is now laid on "how" power is exercised instead of "who has power," or "where or in what does power reside" (Foucault, 1977). In other words, what are the practices, techniques, and procedures which exercise power or bring power into effect? Foucault (1977) also emphasizes the importance of political dimensions of visibility, i.e., making power visible: "Power is exercised by virtue of things being known and people being seen" (Foucault, 1980). Foucault (1977), drawing upon the work of Bentham (1791), develops the 18th century model of prison as a modern surveillance technique. The panopticon was basically a twelve-sided polygon with a central tower through which it was possible for the superintendent to observe the behaviour of prisoners. The panopticon model drew attention "to the use of techniques of surveillance which render visible or potentially visible the most minute details of individuals' behavior" (Grey, 1994). Dandekar (1990) argues that panopticon as a surveillance model ensures collection and storage of information, effective supervision, and monitoring of behaviour. Control is thus exercised through physical superstructure while behaviour is supervised via economic, coercive, and normative sanction. Such a model thus controls human activities on the basis of time and space disciplines (Sewell and Wilkinson, 1992).

Even though the panopticon was originally applied to the study of psychiatric institutions, schools, and prisons, it has been effectively implemented as a surveillance mechanism in contemporary organizations (Townley, 1993).

An example of the panopticon is the concept of management by objectives (MBO). MBO lays importance on achieving activities in a certain time limit. The performance of individuals is evaluated on this criterion at regular time intervals. MBO is thus a "process that operates to inscribe activities of workers, thereby creating a visibility which ultimately becomes the basis for constructing norms and trends" (Townley, 1993). Similarly, human asset accounting "represents a type of balance sheet of the potential services that can be rendered by people at a specified time" (Flamholtz, 1985). Thus, classification of activities on this basis helps in the monitoring and controlling of individuals at work. Capitalism of time is the "detail of activity through time related to cost—the partitioning of time, space, and movement allied to a financial equivalent" (Townley, 1993).

As the objective of capitalism of time is "individuals at work must be rendered visible" (Townley, 1993), there should exist systems which inspect workers, observe workers' presence and application, inspect quality of work, and compare speed of individuals with one another. "Power had to be able to gain access to the bodies of individuals to their acts, attitudes, and modes of everyday behavior" (Foucault, 1980). Even though disciplines are effective in developing parameters of individuality, this is not possible without knowing the individual. Garland (1987) also makes similar comments: "the successful control of an object…requires a degree of understanding of its forces, its reaction, its strengths, and weaknesses. The more it is known, the more controllable it becomes." All information pertaining to the behavioural characteristics of the individual, i.e., personality, attitudes, and skills needs to be collected. This can be achieved by (1) rendering individuals as objects of study and (2) involving individuals in judging and defining themselves (Foucault, 1983).

The system of examinations was found effective in schools and hospitals. The examination can be used to measure knowledge in quantitative values and categorize individuals in terms of abilities and skills. "It (the examination) establishes over individuals a visibility through which one differentiates them and judges them" (Foucault, 1977).

Foucault (1980; 1982; 1986) examines the system of confession usually associated with religious practices. Confessions proved to be a useful technique for organizations to gather information about their employees (Townley, 1993). Candidates are asked to acknowledge their strengths, weaknesses, successes, and disappointments during pre-selection and interview stages. For instance, in self-appraisal and development appraisals, individuals are provided opportunities to comment on their own work (i.e., "Is this area of work satisfying? Are your skills over-stretched or underused?" Townley, 1993), while the training system helps individuals in identifying their own development needs.

Thus, by "compelling, persuading, and inciting subjects to disclose themselves, finer and more intimate regions of personal and interpersonal life come under surveillance and are opened up for expert judgement, normative evaluation, classification, and correction" (Rose, 1990).

Confessions impel individuals to adopt certain values, views, and identities. Further, the individual is encouraged only to develop within these self-classified boundaries. This should ensure the internalization of

certain beliefs, values, and assumptions (i.e., culture). For instance, management monitors the behavioural process through the process of mentoring which helps in the cultivation of "desired norms and values in their organization… through serving as mentors, senior managers guarantee that role models embody core values that best promote desired organizational culture" (White, 1990). Identities are created through the processes of socialization and induction, while training programmes develop appropriate social skills, communication, and listening skills appropriate to individual identities. Appraisal systems ensure that the individuals' behaviour does not deviate from their confessed identity norms (Townley, 1993). In other words, the panopticon and discipline not only provide a means of measuring individuals' behaviour but also help in development of self-disciplined behaviour (Grey, 1994).

To summarize, it can be argued that knowledge organizations are able to combine the elements of workplace democracy and profitability by exercising totalizing control over their employees. The organizations possess the ability to select specific types of individuals and develop their identities in accordance with their requirements.

SUBJECTIVITY AND RESISTANCE PRAXIS

Contemporary organizational controls are effective in not only restricting individuals' movements but also "in a far reaching way, mould his/her sense of selfhood and identity" (Gabriel, 1999). "This moulding goes quite beyond older arguments of internalization of social values and regulation by individuals and encompasses the totality of an individual's emotional and symbolic life and his/her potential self direction action" (Gabriel, 1999). These arguments deal with how this moulding takes place within organizations. Foucault (1980) further argues that an individual is not merely dependent on power nor is he/she outside it but instead he/she is a product, the actual effect of power.

Comay (1986) here asks that if "power relations are constitute of subjects [i.e. the employees] …who then after the loss of the subject [i.e., employees] does the resisting?" Giddens (1981, 1982) argues that Foucault (1977) fails to acknowledge that "human beings are always and everywhere knowledgeable human agents though acting within historical bounds of the unacknowledged conditions and unanticipated consequences of their acts." Yet, "those subject to power of dominant groups are themselves knowledgeable human agents who resist, blunt or actively alter the conditions of life that others seek to thrust upon them" (Giddens, 1981).

These statements question the assumption that subjectivity is a product of power which raises the issue of resistance and questions the form it may take within the organizations. The technique of deconstruction is useful in unveiling the ideological assumptions, omissions, and suppressed contradictions present in any discourse (Flax, 1990). "Deconstruction is the means used to unravel the ideology and power link" (Fletcher, 1992). A critical perspective makes use of the technique of deconstruction to: "challenge the empiricist approach and advocate unpacking of ways in which organizing has been produced and reproduced through the reciprocal interaction of structure and discourse" (Hearn *et al.*, 1989).

This paper, therefore, adopts a critical perspective to analyse empirical data gathered from two professional accounting firms which were cited as learning organizations. In case of both organizations, letters were sent to the respective "gatekeepers" requesting access. Both the organizations are branches of well-known multinationals in different countries. Case Study A (CSA) is one of Botswana's leading multidisciplinary professional service providers. The firm has a total of 130 employees. Case Study B (CSB) is a leading global provider of professional services with around 800 employees within the UK. In CSA, a total of 42 managers from different hierarchy levels and departments were interviewed. In CSB, overall, five managers belonging to different hierarchical levels within the taxation department were interviewed. It was possible to learn and collect more information from CSA because an access of ten weeks was granted by the gatekeeper. The appointments for the interviews with the top management (i.e., partners) were made before-hand by telephone. These interviews were formal and held during office hours and lasted an hour. Interviews with middle managers and executives were usually conducted during the weekends, lunch breaks, and late evenings after office hours. These interviews lasted for more than an hour. All interviews except two, where the managers refused to cooperate on this issue, were tape-recorded.

Unlike in CSA, the interviews in CSB were fixed by the gatekeeper. They lasted for an hour and were tape-recorded. The empirical data were analysed thematically. The interview data were reread and later categorized on the basis of empirical data and both the case studies were compared to check if there were any differences.

LEARNING ORGANIZATIONS WITHIN A PROFESSIONAL CONTEXT

Both CSA and CSB are professional service providers in the areas of audit, taxation, corporate services, accounting, business consultancy, property management, and liquidation. CSA and CSB also claim to be learning organizations. This was clearly mentioned in the firms' employment manuals.

The firms considered themselves to be learning organizations because they gave emphasis to professional development and training of their employees. In contrast, the employees, in their interpretations of learning organizations, described them differently. For instance, a taxation manager at CSA believed learning organizations were those companies which constantly improved and adapted to the external environmental pressures. She explained in her interview:

> … a dynamic organization is something that improves and adapts to the external environment.

Another interviewee (business consultant) further clarified that it was the information possessed by the employees which needed to be improved:

> Learning organization is an organization which keeps on improving, learning, and growing, learns from its past mistakes and takes in information from outside.

In other words, to survive and remain successful, it is necessary for the organization to grow, innovate, and be creative. The ability of an organization to learn faster than its competitors may prove to be the company's only sustainable advantage (De Gues, 1988; Stata, 1989). This focuses on the need to develop people and their ability to learn new skills and knowledge. According to the audit manager:

> …in an organization it is the people who have value. The people make up an organization. Therefore, a learning organization is where you are ahead when your energies are concentrated on them…you motivate your people…to learn and accept the changing patterns of work of new generation of personnel coming into the profession is what a learning organization is all about.

From the above accounts, there appears to be a clear link between the capacity of learning organizations to learn, its position in the industry, and its economic gains. Learning organizations are required to generate learning amongst their employees to be able to innovate continuously and compete successfully within the market. By

implementing schemes like worker participation, open communication, quality circles, and employee empowerment programme, the management seeks the cooperation and loyalty of the workers. The focus has shifted towards creating conditions which satisfy the physical, social, and emotional needs of the employees (Senge, 1990). However, the objective of the management is still client satisfaction and profitability, only the method of achieving it has been modified. A business consultancy director of CSA referred to this process as a "marriage of interest" between management's profit objectives and the employees' economic and emotional needs. He said:

> Learning organization is needed when the human factor comes into consideration when the top management does not keep up with the latest organizational concepts. Now, on account of the changes in the market and due to heavy competition, people are forced to learn continuously while others consciously try to learn and upgrade.
>
> Most of the organizations are realizing that all factors can be bought but one cannot buy human resources; one only derives service skills from them. So good managers always care for the human resources; and continuously upgrade them. Twenty-five per cent to 30 per cent of a manager's time is used in continuously upgrading (i.e., developing and training) the human resources. But the major objective is client satisfaction and profitability. If you ensure client satisfaction, you will survive and clients will ensure you survive. They will refer to you, give you work, tell others that these people are here. That is marketability, clients will market you.
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> Learning organizations are some places where the top management's objectives are well accepted by the team consisting of professionals and employees within their organizations as their own by continuously checking the organization process, upgrading the skills of their employees, checking with clients' objectives and the organization's ability in delivering goods to the clients and contributing something to the society and environment so that you are a part of the total system…the individuals within an organization should feel that they are continuously contributing but the ultimate objective is the customer.

Learning organizations aim to achieve the objectives

of the management with the support and cooperation of the employees. Moreover, it emerges that the organization can be divided into two groups. One group is responsible for generating learning by encouraging and motivating the employees while the other needs to absorb new skills and knowledge about the changing patterns of work and profession. This is similar to the concept of Scientific Management, where there is a separation of execution and conception functions (Taylor, 1947). In a learning organization, management decides on the type of knowledge to be generated while the employees are responsible for acquiring it.

Managers generate knowledge by providing the employees with a conceptual framework like vision and mission (Nonaka, 1991). The organization's mission, vision, and values can be conceptualized as a sort of benchmark which guide the employees' learning in the required direction, i.e., achievement of organizational purpose. According to the Senior Accounts Manager (CSA):

> A learning organization is an organization which learns from its mistakes — mistakes done in the past. It is a concept, a growing concept. An organization should not remain stagnant, it should keep growing, it should never think this achievement is enough. It should keep growing and learning from past mistakes and the management should always set up a benchmark, a mission, a vision for higher goals, higher missions, higher objectives and then shift the objectives a bit higher. There is competition. If you want to reach the top, achieve that benchmark, planning alone will not suffice; execution and effective implementation are essential.

The above quotation reveals that the mission and vision developed by the management can be treated as a sort of benchmark. The mission and vision usually constitute the overall aims of the company, like a sort of measurement, something against which performance can be evaluated. Employees strive to acquire knowledge and skills to achieve the organizational goals specified in the mission and vision. Thus, the management in learning organizations indirectly controls the learning processes of their employees. The directors, trustees, and other managers form the "ruling courts" within the learning organizations. They govern the organizations by structuring the entire learning process and collective knowledge systems. In other words, the management is able to exercise power by controlling the resources, information, company policy, learning processes, and opportunities

(Coopey, 1995). The top management remains the sole custodian of the organization.

It is, therefore, plausible to argue that learning organizations are another form of hegemonic control systems adopted by the management to meet external environmental pressures. The management tries to exercise power by controlling the thoughts, perceptions, and learning processes of the employees to increase its own profits.

LEARNING ORGANIZATIONS: ENVIRONMENTS OF NEGOTIATION

To combine twin goals of profitability and democracy, the managements of CSA and CSB sought to create corporate clones who would be committed to the organization's policies of accumulation of profitability through various types of culture controls like family and learning cultures which encompassed performance appraisal, reward systems, and open communication channels. All the elements of learning organizations such as a continuous learning strategy and culture, flexible rewards and structures, participative decision-making, and open communication channels can be used as disciplinary and surveillance practices to exercise power over the employees.

CSA and CSB generate an atmosphere where the firm seems one big family and the office another home. All employees are encouraged to address their superiors by their first names. All managers are required to keep their office doors open, greet their staff members, and take a keen interest in their personal welfare. The main objective is to create an informal, friendly, and relaxed atmosphere which ensures open and free communication between all levels of the hierarchy. Superiors thus become more approachable and can now be looked upon as confidantes and good friends. The official boundaries between work and home become blurred. The role of a manager changes from a supervisor to that of a coordinator and facilitator. Managers assume family like roles in the organizations. They portray the role of a father who has to look after his "sons" and "daughters." But, in reality, this family concept is used only to exploit workers to undertake more work. An audit manager at CSA said:

> I always motivate my employees, pressurize them, sit down with them. If I see an executive leaving at 5:30 p.m., I sit with him/her till 9 p.m., and make him/her achieve the target. I fix deadlines for my employees and push them towards it … sometimes it may not be achievable but one has to test their

commitment…I have to be very strict but that is what has been asked by the management.

The above quote is ironical because the audit manager is actually pressurizing his employees instead of motivating them. He is pushing his employees towards achievement of goals which are not realistic and in undertaking work for which they are not financially compensated. The employee is emotionally blackmailed into taking up more work. To quote the Corporate Services Manager, CSA:

If I have to get work finished and request my subordinate to do it, he will stay the whole night to do it, not because of me but because he enjoys his work. And no, he is not compensated for it. But he does it for his company….

Managers are thus deviously manipulating employees to fulfil the objectives of the organization. Maccoby (1976) refers to this situation as a psychostructure where employees fit into the requirement of the organization. This is also similar to Gramsci's (1971) concept of hegemony where the beliefs and values of the dominating group are enforced on the whole organization with the consent of all the employees.

Both CSA and CSB being learning organizations laid emphasis on team work, meetings (open communication), and training programmes. The team culture associated with learning organizations seems useful in delegation of authority, self-management, strengthening the bond of friendship, and family values. But, beneath this friendly cooperation, there exists interpersonal suspicion, rivalry, and jealously (Casey, 1999; Barker, 1993; Kunda, 1992). An audit executive working at CSA hesitatingly explained in her interview:

…constant competition …now working in a team, my colleague and I handle project work…. I have to do it to look better than him….

Management deliberately creates and uses inter-rivalry and competition to its own advantage, i.e., ensuring employees contribute their best. Also, CSA and CSB have regular team meetings like project, task, and departmental meetings where members are required to confess their mistakes, doubts, and success gained in the work allotted to them. The members are wary of these confession meetings and usually work harder and put in more hours to produce quality work and avoid being teased and criticized by their team members. The team and its members thus become an iron cage from which it is not possible to escape anymore. This is known as a concertive control system where members monitor their own behaviour in accordance with the values and rules agreed by all members. Also, meetings are now not just a medium of exchanging information, views, and opinions but also of controlling employees professionally and mentally. As a senior accounts executive of CSA argued:

Meetings help in the purpose of reviewing the performance…there should be a cut-off date (weekly or monthly) when your performance should be evaluated, then only you will be in a position to… so that in case of non-performance, steps can be taken. So, basically, it's a mechanism to review performance and we have informal meetings where we chat about our past performances, our views and opinions, what orders the company gives…we also have formal meetings which are a review of performance. A review of performance has to be there so that, if they are any problems, they can come out and talk about it with the top management. Problems are looked into by the management so that the executive can meet the targets. Also, basically, it's a way to review your performance and removing of hurdles which may hinder performance. Informal meetings are a way to direct our mind professionally.

Meetings thus resemble the examination process usually found in schools and hospitals. Usually, training is considered a method of acquiring knowledge and a process of learning. Yet, it is possible for management to manipulate and coordinate the training of the employees so that the overall goals of the organization are achieved. In both CSA and CSB, at the commencement of each year, the directors and partners determine the overall objectives of the organization on the basis of which the employees are allotted their own respective targets. Each employee is then required to undertake training to acquire new skills, knowledge, and contacts to be able to generate that amount of annual income. As the tax manager of CSB explained:

The process works this way—you identify your objectives. When you set your objectives, you look around to see what training needs are there to meet those objectives and then you look around to see whether these training needs can be satisfied internally or externally and you book yourself to a course.

Such a system gives the employee the impression

that he/she has full autonomy to plan his/her own career, choose techniques and programmes of self-development, etc., when in reality it is the management which specifies and determines the direction of the career progress of its individual employees ensuring "cloning" of employees who possess specific skills, attitudes, and behavioural traits.

To further strengthen its hold on its employees and sustain the images of "families" and "team," the management celebrates birthdays and any momentous personal occasions of the employees. CSA and CSB had their own movie and sports club. CSA issued cricket T-shirts and caps to all its team members with the company's logo printed on them.

Further, CSA and CSB recruited specific types of individuals who possessed required technical skills, personality, and background so that they could match with the culture of the respective organizations (Storey, 1995). For instance, CSA selected candidates on the basis of their overall appearance, voice, education, and technical skills. Further, the management extended its surveillance over the employees through its performance appraisal systems where employees' performance was measured on factors such as knowledge of vision and mission, philosophy of the firm, ability to continuously train and upgrade oneself, etc. Grey (1994) discussed a few performance appraisal factors in his study on accountant trainees — communication, self-confidence, cooperation, reliability, integrity, and team working. The first step in performance appraisal systems was self-appraisal where the employee evaluated his/her own performance in an objective manner. This process is similar to the practice of confessions found in religious practices (Foucualt, 1986). Such forms of confession systems enable management to learn more about the employees and strengthen its power over them (Townley, 1993). In inverted appraisal system, the subordinate assesses his/her superior's performance. This is simply a ploy to make the employees believe that the system is impartial. Finally, there is the appraisal system where the superior or manager reviews the performance of the employee on the basis of which he/she gets promoted in the future. The appraisal system, in other words, bears resemblance to the panopticon where employees are forced to behave themselves and modulate their actions because they are conscious that they are under the normalizing gaze of the panopticon.

The managements of CSA and CSB also linked up the reward provisions of an employee with his/her performance. The employees had to work towards the overall goals of the organization because his/her salary and long-term career growth were dependent on his/her performance.

The above empirical data contain substantial evidence that employees are cajoled and manipulated to internalize the values and standards of the organization as part of their own subjectivity. But, as Gabriel (1999) argues, the meaning of resistance is dependent on the researcher and how he/she may interpret the definition of resistance, like, in this case, invisibility of resistance may not necessarily mean lack of resistance. In fact, all forms of unsupervised, spontaneous, and rebellious actions can be categorized as resistance and misbehaviour (Thompson and Ackroyd, 1995; Fineman and Gabriel, 1996; Fineman and Sturdy, 1997; Gabriel, 1999). For instance, at CSA and CSB, resistance against the management's control took the forms of verbal disagreements, frustration with the management and its policies, backstabbing, and psychological withdrawals, i.e., employees were rebelling and conforming simultaneously. During the course of interviews, employees of CSA revealed their frustrations, anger, and depression.

A tax manger at CSB said it was compulsory to attend all social events:

> Social events are arranged by the organization. For instance, last week, we went to the race field .... you have your work, your private life….you may discover you have your social circle outside the work rather than having work colleagues or social colleagues as one and the same.

The above account reveals the difference of opinion existing between labour and management, i.e., subjectivity of employees is not a product of management's control. The interviewee believes he has a right to choose his own friends. But, the organization insists that he attends these social events, in fact, "pressure" is exerted upon him. But, he resists this "pressure" in his own way by finding an excuse to avoid them:

> No…..it depends….if you don't want to attend them, you usually find a way. But you don't because, if you don't, people might notice it and put pressure on you to attend it. So you have to usually try to find some way out.

Thus, there emerges a clear division between labour and management in these two learning organizations, CSA and CSB, with the former dissatisfied with the latter's way of functioning and policies. While some ex-

pressed their resistance by criticizing and mocking the practices of the management, others segregated themselves from the organization, its culture, and identity. Gabriel (1999) refers to this as psychological withdrawal. For instance, a corporate services executive (CSA) remarked:

> … am not bothered much, I work strict office hours, collect my salary and go home ….

In the above case, the executive reminds herself it is just a job and effectively segregates herself from her workplace. Similarly, another business consultancy executive of CSA commented:

> You know the structure? Who cares, I know my superior, my department and where to collect my salary…

The consultant here is clearly ridiculing the organization and its management even though she is conforming to the firm's norms and values by saying she is only interested in her salary. Compliance and dissent are taking place at the same time.

> Fineman and Gabriel (1996) cite an example where: People may be rebelling even as they appear to be conforming. Pupils who wear the regulation uniform may be conforming to rules, but by leaving the top shirt button undone, they express their resistance to them. Compliance and resistance are not either/or responses. Orders may be obeyed willingly or unwillingly: they may equally be grudgingly, inaccurately, ritualistically or sarcastically. In all these cases, compliance and resistance can co-exist in the same form of behaviour.

Gabriel (1999) further gives examples of how employees may abuse company accounts, corporate hospitality, and business travel or wear non-uniform types of dress to work, i.e., all forms of resistance which are marginal, making them "less accessible to the controlling gaze" (1999).

To summarize, employees are aware of the control system implemented by the managers and its unfairness and resist it by criticizing the management, violating the code of confidentiality, and speaking frankly in front of a rank outsider (i.e., the researcher). In other words, learning organizations are not workplace democracies. In fact, the empirical analysis above suggests that it is not possible for such environments to exist in capitalistic societies, instead, what we have are "pseudo democracies."

CONCLUSIONS AND IMPLICATIONS

This paper attempts to answer questions like "can work contribute positively to individual development in a capitalistic society or is alienating work the price that must be paid for material prosperity?" According to the literature, the reason why organizations adopt the concepts of learning environment and notions of workplace democracies, egalitarian, and cooperatively minded firms, is to seek the cooperation and support of their employees so that the firm is able to innovate and create learning continuously to survive and meet the demands of today's contemporary business environments. The management in knowledge companies has realized that to seek employees' support and cooperation, it is necessary to provide them with some form of limited self-autonomy. These organizations believe that by linking the fulfilment of the self-actualized needs of the organizational employees with the objectives of the management, a common unified direction could be achieved (Senge, 1990). The control aspect in learning organization is focused on "creation of conditions such that the members of the organization can achieve their own goals best by directing their efforts toward the success of the enterprise. Rather than elevate the organization's economic objectives above the needs and goals of the staff, integration would lead to recognition of both the organization and the individual's needs" (McGregor, 1960). Managers no longer just plan and the workers execute. Instead, the leaders concentrate on planning and controlling the language and concepts used by the employees. Language and culture are the tools through which the management control and coordinate the activities of the employees (Simons, 1995). This new form of managerial approach seeks to achieve self-interest of the manager under the pretence of personal commitment towards the employees. It is an indirect and a more complete form of control where control is viewed by the management in terms of the end it seeks to achieve, i.e., profitable production (Roberts, 1984).

The empirical analysis reveals that learning organizations are, in reality, practising hegemonic regimes under the pretence of employee democracy and empowerment. The primary concern of the management is accumulation of profits and survival and not individual employee's development and welfare. The management practises numerous surveillance techniques to create corporate clones who would readily commit themselves to

achieving the goals of the organization. Yet, it is not completely successful in moulding the subjectivity of the employees. The employees are, in fact, aware of the corporate regimes and their unfairness, but they do not overtly resist or attack the management, simply because, they realize that their long-term career growth is linked to survival of the management's regime. By conforming to the demands of the management, they would have a chance in the future to earn dizzying salaries and enjoy massive fringe benefits. The audit manager of CSA focused on this aspect in his interview:

> ...by working for three years you will receive only salary and perks... car and house will be provided by the company...when manager's level is reached...in five/six years ….

In other words, career and financial prospects could be the reasons as to why employees in learning organizations end up practising passive resistance and consciously modulate themselves according to the requirements of their organizations and uphold the banner of "socialistic models" and "employees' paradises" advertised by the learning organizations. Learning organizations, according to the findings of this study, are complex and intricate working environments where employees and management negotiate with each other to function effectively as one organization. Therefore, it is not possible to effectively intertwine two diverse objectives like individual employee welfare with profitability. Instead, what one ends up with is a sort of compromise with management still being the sole custodian of power.

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The best leaders are apt to be found among those executives who have a strong component of unorthodoxy in their character: Instead of resisting innovation, they symbolize it.

David Ogilvy