

Knowledge – Work – Regulation¹

Introductory Remarks

Today, we will present preliminary results from an ongoing empirical research project (“Project work in the area of qualified service-work”). The project started in August of 2002 and will be completed in February 2004. We interviewed approximately 40 knowledge workers, the vast majority of them holding a university degree within the German ITC-, Media-, and Consultant Industry. The research is funded by “Hans-Böckler-Stiftung”, an institution associated with the German trade unions.

Our presentation consists of two parts: In the first part, we deal with the question of how knowledge work is contractualised, and address the work situation of the knowledge workers we interviewed. In the second part, we discuss the problems and possibilities of interest regulation in the area of knowledge work.

I. Contractualisation of knowledge work

1. Uncertainty and ‘projectification’

As a number of authors have pointed out, it is not the apotheosis, but the crisis of knowledge that marks the dawn of the knowledge society (Beck 1986, Willke 2002). Acting and decision-making under conditions of unpredictability and uncertainty as well as the danger of unpredicted “collateral results” surely is not a new problem. What is new, however, is the degree of uncertainty – for individuals, organisations, and the society at large.

Particularly in knowledge intensive industries, competition is a footrace for innovation, in which the resource “knowledge” is permanently revised, increasingly diversified, and fragmented into specialised disciplines. In this process, the creation of knowledge always creates “not-knowing”.

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Within such modified or “post-fordist” conditions of competition in turbulent environments, companies need forms of organisation and co-ordination that are capable of dealing with uncertainty, and allow for the integration and creation of knowledge. In this context, projects, i.e. a temporary organisational structure created to solve innovative tasks, gain importance. A growing share of innovative tasks can only be managed within projects, because they allow for a flexible and problem-specific integration (and networking) of differentiated and distributed knowledge.

What is of particular interest here, are the instruments, or modes, of regulation and control of knowledge work within ‘projectified’ organisational structures.

2. Management by Objectives (MBO) as a key instrument to control knowledge work

With regard to knowledge and ‘projectified’ work, labour power cannot be co-ordinated, controlled, and contractualised in the same way as blue collar work. While within the taylorist-fordist and bureaucratic organisation subjectivity is viewed as a dysfunction that needs to be eliminated, contemporary management approaches attempt to utilise subjectivity in a comprehensive way. In order to open up subjective potentials for capital exploitation, corporate management grants knowledge workers higher degrees of self-organisation at work. Although knowledge workers (qualified service employees) could always dispose of a relatively large range of autonomy within the workplace, contemporary management concepts aim at utilising individual performance differently.

With regard to the regulation and control of knowledge work, *MbO* plays a key role. The basis of *MbO* are operating figures that define cost-, productivity-, quality-, or time-targets of the corporation and which are then used to “communicate” these targets within the organisation. *MbO* is a specific form of contractualisation of work and constitutes a form of context control: instead of detailed orders, impulses from and changes within the environment (the market) are used to regulate and control the performance of a business unit, a project team or individuals. We want to point out four main implications of context control:

- Context control allows for greater discretion with regard to self-organisation (autonomy): it becomes the responsibility of the individual, or the team, to reach the contracted goals. *MbO externalises control costs* by assigning this traditional management function to the knowledge workers themselves.

- Through *MbO* individuals and teams are more directly confronted with the demands of markets and customers. They become *exposed to market risks*, and are forced to become “internal entrepreneurs” – i.e. entrepreneurs of their labour power and social security.
- Through *MbO* the employment contract is supplemented with elements of market-contracts (contracts for work and services). This leads to *an individualisation* of the contractualisation of work.
- *MbO* is a target-oriented form of control, which transforms corporate targets into individual targets, and which – in so doing – increases the commitment of the employees. Employees are induced to think and act like an entrepreneur and to *internalise the imperatives of capital utilisation*. Such an attitude and behaviour is encouraged by the use of performance-oriented pay systems (either bounded to the achievement of individual targets, or on corporate success).

Within the ‘classic’ employment contract, the employee commits himself for a given (and limited) length of time to fulfil certain duties for his employer, while the employer in turn is committed to remunerate this length of time. Within this traditional form of the contractualisation of labour the employee does not owe a specific *result* (i.e. a “success”) to his employer. However, if work is contractualised by the definition of performance figures that an employee has to reach, working time loses its key role for the regulation of labour, and the employment contract has a completely new (internal) quality. While within the ‘classic’ employment relation the employer carries the operational and economic risk, now the employees have to bear the consequences, if they do not reach the contracted targets (which are usually unilaterally set by management). In short: result- or performance-oriented systems of work place control raise a number of open questions regarding the future significance of protection norms, collective agreements and co-determination rights that are all oriented on working time, and which fail if applied to result-oriented work contracts (cf. Trittin 2003: 139). “The German labour law is faced by its greatest challenge.” (Trittin 2003: 159, own translation; see also Abel et al. 1998)

As our research as well as other studies and company reports show, working time regulations, defined by law or collective bargaining agreements, that – until today – gave work effort a standardised limit, are undermined by a result-oriented contractualisation of work performance. This is true not only, but particularly within, knowledge work. This also implies that with the dissemination of result-oriented work regimes the prerequisites and

possibilities that are needed to redistribute labour as well as to reduce unemployment by shortening working time standards are diminishing.

3. Work situation and work demands of knowledge workers

Critics argue that processes of economic decentralisation and terms like “autonomy”, “self-management”, “de-centralisation”, “empowerment”, “co-operation”, and “participation” indicate the encompassing utilisation of subjectivity for capital interests, and a new form of capitalist domination. For them, ‘subjectification’ leads to an (heteronomous) exploitation of the “deep structures” of knowledge workers /employees. They believe that economic decentralisation mostly aims at opening up the employment contract for uncertainty and market risks and intensifying the exploitation of labour.

As we found in our case studies, however, the knowledge workers we interviewed do not see “internal entrepreneurship” as ideology, but as a real chance for self-development. Moreover, the characteristics of project work – flat hierarchies and casual hierarchical relations, comprehensive and demanding work tasks, opportunities for social interaction and teamwork, relative autonomy (discretion), as well as opportunities for learning and self-development – are highly appreciated by knowledge workers. From the point of view of critics of Taylorism, these aspects pretty much sound like basic parameters for a humane work environment. In many respects, this type of work corresponds with the expectations and demands that knowledge workers have towards their job. To solve problems (as opposed to fulfilling a given job) is seen as an opportunity to prove and develop knowledge and expertise, and for self-development at work.

It would be naive, however, to assume that – in a time in which knowledge and knowledge work become the central sources of added value – corporations would not attempt to regulate, control, and rationalise knowledge work. Project-textbooks, formally defined processes and reporting paths, certified and ICT-supported systems of project management, benchmarking, knowledge- and skill-databases, the use of performance figures and balanced scorecards, as well as finely woven controlling devices (instruments) are means to regulate and formalise (“objectify”) knowledge work and the performance of knowledge workers.

Those instruments make areas of work accessible for control, which have been mostly excluded from control and regulation in the past. The new instruments of control, based on performance figure indexes, set performance targets and make them controllable (monitoring, continuing target/actual comparison). It is this form of bureaucratic/technical

“grip”/“clinch” of project work about which the knowledge workers in our study are particularly critical.

The majority of interviewees reported that project work leads to much higher work loads than (traditional) line work, and that work related stress and strain cannot be endured for longer periods. Moreover, high work loads, micro-political conflicts, fear of failure, psychological stress because of excessive demands, social stress due to disturbed relationships, as well as burn-out are frequent phenomena among knowledge workers.

4. Demands and contradictions of ('projectified') knowledge work

In light of this, we would like to discuss some key elements of „good project work“, as seen by the interviewees, as well as contradictions of this type of work.

- Antagonistic demands and conflicting goals result from the fact that the members of a project team are usually disciplinarily responsible to a line manager, while at the same time responsible to the project manager. Both are competitors for scarce resources. What knowledge workers (very often) criticise, is the *lack of a professional project management with clearly defined competencies*. In addition, goal conflicts between line and project organisation are evident with regard to the evaluation of an individuals performance. Performance evaluation (with consequences for career paths and remuneration) is usually done by the line manager. Knowledge workers in projects criticised this, on grounds that the line managers would not adequately evaluate and reward their contributions within the projects.
- Work within interdisciplinary teams is – per se – potentially conflictual, because of the clash of different professional cultures and demands and because project members develop forms of informal peer control and peer pressure. Knowledge workers articulate a desire for *team development*.
- *MbO* offers opportunities for direct participation. As a concept, MbO is a discursive mode of co-ordination on the basis of mutual negotiation and agreement. From the point of view of the interviewees, it is a prerequisite of good project work that performance *targets are negotiated*. In reality, however, the targets are usually dictated from the top.

- The quality of working life is also dependent on the range of autonomy regarding the *control of resources* – time, money, manpower – and that these resources are also subject to negotiation. Again, this is hardly the case.

If and to what extent the expectations of knowledge workers on “good project work” just mentioned become manifest demands, remains an open question. For the time being, there is little evidence that knowledge workers will indeed insist on the realisation of their ideas of “good (project-) work” or that there is a potential for a collective grouping and regulation of interests. Among knowledge workers, there is still an awareness to belong to a (relatively) privileged elite. Moreover, the threat of losing employment as well as employability in a period of economic crisis in knowledge intensive industries rather strengthens individualised competitive strategies. It can be generally assumed that forms of work, which enforce self-organisation and self-representation, support individualised strategies to solve problems and work related conflicts.

Knowledge workers have a rather distanced relationship with institutions of collective interest representation, i.e. works councils on the corporate, and trade unions on the inter-corporate level. The most qualified among them usually negotiate their contracts as well as working conditions individually. Through the use of individualised instruments of performance control, works councils as well as trade unions lose the potentiality to influence and control working conditions.

Very often, standardised rules and regulations do not meet the expectations and preferences of knowledge workers. They usually oppose employment safety and health regulations – e.g. a collective limitation of working hours – which have been “decreed” by unions or works councils. For them, those collective arrangements interfere with their urge for autonomy. Attempts to protect knowledge workers against themselves, i.e. against potential self-exploitation, are not likely to be successful. Even if well-meant, they are viewed as paternalistic.

However, individualization must not necessarily lead to egotism and loss of social integration, but can also be interpreted as an expression of the emancipation of highly skilled and self-confident individuals from incapacitations within traditional large scale enterprises. Still, this does not say much about how a sustainable model of interest regulation can look like in the future.

II. Individualisation as a challenge – What can unions do?

1. From a collective to an individual model of interest representation?

It cannot be precluded that due to the growing dissemination of knowledge work the established model of co-determination is going to erode and that an individual model of interest representation will prevail. The individual model is characterised by the abandonment of collective regulations; working conditions are individually negotiated and employment relations barely formalised. Individual contracts, target agreements (i.e. *MbO*) and stock option plans, individualised career paths, direct participation, and an attitude of „entrepreneurship“ are key aspects of this form of regulation.

The individual model is undoubtedly attractive for workers with considerable bargaining power (regarding questions of pay, working conditions, and the like) – it could be found particularly in New Economy firms. Due to the crisis in this industry, this model lost much of its glory. Nevertheless, there is little evidence so far that knowledge workers would abandon their individualised mode of interest articulation and representation in favour of collective and representative arrangements.

2. Starting points for trade unions

Image problems and forms to address knowledge workers

Most of the knowledge workers we interviewed think that unions are absolutely eligible for collective interest representation – for blue collar workers in traditional industrial sectors. Yet, it is exactly this “blue collar image” that keeps knowledge workers at a distance to unions. Moreover, unions are viewed as a highly bureaucratic apparatus, that is mostly preoccupied with itself.

There are, however, approaches that try to change this “blue collar image”: Presentations with a specific “event character” that allow for the exchange of experience/ know-how; presence in the internet, sector- and problem-specific projects, e.g. the assistance in founding a works council. Such approaches are perceived positively because they offer problem-specific services and support for knowledge workers in a non-bureaucratic and hands-on manner. Ironically, these approaches have faced legitimacy problems within the trade unions because they have not resulted in an increase in union membership, so far. At the same time: works councils in many cases have not been able (thus far) to get the “necessity” of collective agreements across to the personnel (staff) in knowledge intensive industries.

Lowering barriers of entrance – ad hoc forms of participation/engagement

To make unions more attractive for knowledge workers, a lowering of the barriers for entrance as well as temporary membership, bounded to specific goals, are discussed. Additionally, there are attempts to gain the support of independent contractors and entrepreneurs.

Employability

Securing their employability and their competitiveness is a top-ranking issue for knowledge workers. In the IT-business, we found the paradoxical situation that companies reduce staff on the one hand, and complain about a shortage of qualified personnel, on the other. Increasingly, knowledge workers have to secure the marketability of their knowledge and competencies themselves. Nevertheless, what kind of qualifications and knowledge seen as necessary is unclear – even for those managers who are responsible for strategy formulation and human resources management. Uncertainty fosters fear of failure and workaholics. It is not only the (proverbial) commitment of knowledge workers to their jobs, but – in times of high unemployment and continuing neo-liberal rhetoric – the fear of losing job and social status, that is responsible for their dedication to work hard. There is definitely a high demand for customized assistance and advice regarding the securing of employability.

The knowledge workers we interviewed showed a pronounced interest for longer periods of regeneration, prolonged vacation, and sabbaticals, as well as for further individual training. While some cutting-edge corporations have already anchored corresponding rights within collective agreements, others try to externalise the costs of further (professional) training. This area of interest could definitely be a starting point for trade unions: They could offer specific services (information, orientation and coaching) in co-operation with public or private organizations to help knowledge workers secure and strengthen their employability. Those services could also include risk provision.

Networking

In general, knowledge workers show a strong commitment to their professions and their jobs. For this reason, they prefer professional associations as representatives for their particular (professional) interests. Unions, on the other hand, are not attributed to have the necessary know-how (regarding work place demands) to really be a competent partner. If knowledge workers have legal problems (e.g. design of contracts, labour laws etc.) they address their respective professional association rather than their union.

One possible perspective for the unions could be to build up (project-) networks with professional associations, with institutions for professional training, or coaching firms. Although networks are typically characterised by co-operation and competition between the participants alike, they would offer the possibility for all actors to get access to a new clientele (win/win-situation).

“Meta-rules”

What is particularly needed is a form of interest regulation that takes into account the heterogeneity of individualised interests and that offers *choices instead of fixed norms*. Knowledge workers react repelling when works councils or unions try to give orders. In light of this, it is likely that “meta-rules” that leave room for an individual (personal or corporate) design, will be graded up vis-à-vis detailed norms and regulations (Bollinger 2001). “Meta-rules” are an approach of applying collective formalised rules on diversified individual interests. Similar to concepts like “MbO”, it becomes less important to closely define norms, but to negotiate the basic job demands and the framework of work regulations.

This form of context regulation could gain particular importance with regard to *preventive* health protection. The chances are good, since in ‘projectified’ knowledge work, stresses and strains are a first order health risk. It is recognised in a growing number of firms that to keep knowledge workers productive, it is of utmost importance to “cultivate” and maintain human capital. Publicized competition of concepts, as well as benchmarks regarding health protection– in combination with other HR-oriented approaches, and in the style of quality management concepts – could support this form of context regulation within corporate management and knowledge workers, alike.

Extended (expansive) political mandate

Unions are under the threat of being deprived of their “Basis for doing Business” and of being increasingly marginalized. The established institutions of interest representation (works councils and unions) will have to be more responsive to the needs of knowledge workers and will have to offer adequate services. If union representatives want to gain acceptance among knowledge workers, a service orientation and a different attitude towards their own role and function seems to be a necessary first step.

However, if unions want to be more than a mere service agency and want to claim an extended political mandate, they should develop into “organisations of discourse”. Although the knowledge workers in our study were rather individualized, dedicated, and career oriented, they did not have a completely affirmative mental attitude towards contemporary tendencies to economize all spheres of life. Moreover, they showed a deep interest in questions of societal and political development (e.g. the information or knowledge society, respectively). That unions are primarily oriented on the preservation of the status quo and lack any concise model of the future development of work and society, is a critique that is articulated quite often by knowledge workers.

Only if the approaches of trade unions come closer to the expectations and demands of knowledge workers – a type of employee that very likely will increasingly shape the future of work and life in Germany – there will be a chance that they will not be rendered obsolete.

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