

MANAGEMENTALITY
MANAGEMENT AS A POLITICAL MENTALITY

A Master's Thesis

by

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Ankara
September 2000

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*But then they send me away to teach me how to be sensible,
Logical, responsible, practical.
And they showed me a world where I could be so dependable
Clinical, intellectual, cynical.*

Supertramp, *The Logical Song*

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The Institute of Economics and Social Sciences
of
Bilkent University

by

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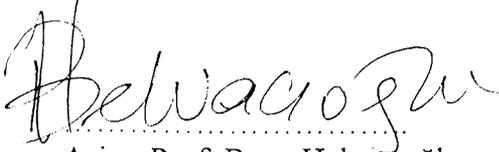
September 2000

I certify that I have read this thesis and in my opinion it is fully adequate, in scope and in quality, as a thesis for the degree of Master of Arts in Political Science and Public Administration.



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ABSTRACT

MANAGEMENTALITY MANAGEMENT AS A POLITICAL MENTALITY

Altunok, Gülbanu

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This thesis is an attempt to explain and explore the social and political implications of 'management' as a practice and theory of knowledge. In this respect the historical formation of management discipline, its basic principles, and its functioning are investigated. It is argued that management as a business administration operates as a control mechanism within the workplaces. However, management as an administrative practice is not limited to business organizations but spread through the public institutions in the post war years. In other words, the mentality of management infiltrated into public institutions and eventually influenced the relations between the state and citizens. Then, this thesis argues that management as a control mechanism has expanded into society at large. In order to investigate the social and political significance of management both in private and public organizations two concepts of Michel Foucault will be applied: one is Panopticism. It shows how management works as a disciplinary mechanism. The other is Governmentality. This concept is useful in analyzing the expansion of the mentality of management into social and political life in contemporary societies.

Keywords; Management, Discipline; Panopticon, Governmentality

ÖZET

İŞLETME ZİHNİYETİ POLİTİK BİR ZİHNİYET OLARAK İŞLETME

Altunok, Gülbanu

Tez Yöneticisi: Dr. Aslı Çırakman

Bu tez pratik ve kuram olarak 'işletme'nin politik ve sosyal etkilerini anlamaya ve açıklamaya çalışmaktadır. Bu nedenle, işletme disiplininin tarihsel gelişimi, temel prensipleri ve işleyişi araştırılmaktadır. Öte yandan, işletme iş organizasyonları ile sınırlı kalmamış savaş sonrası dönemde işletme pratiği kamu kuruluşlarına da yayılmıştır. Başka bir deyişle, işletme zihniyeti kamu kuruluşlarına girmiş ve devlet ve vatandaş arasındaki ilişkiyi etkilemiştir. Bu anlamda, bu tez bir kontrol mekanizması olarak işletmenin tüm topluma yayıldığını iddia etmektedir. İşletmenin özel ve kamu organizasyonları üzerinde politik ve sosyal etkisini araştırmak için Michel Foucault'nun kavramı ele alınacaktır. Bunlardan ilki olan Panoptisizm işletmeyi disipline eden bir mekanizma olarak anlamamızı sağlayacaktır. Diğer olan Hükümet Zihniyeti günümüz toplumlarımızda işletme zihniyetinin sosyal ve politik yaşam üzerinde yayılmasını çözümlenmede yardımcı olacaktır.

Anahtar Kelimeler: İşletme, Disiplin, Panoptikon, Hükümet Zihniyeti

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CHAPTER I

INTRODUCTION

This study stems from a very personal curiosity of a graduate of the discipline of management. As a student of the department of management I have dealt with the question of what 'management' should mean in the contemporary world, and how its effects should be analyzed. My starting point was the realization of the increasing importance and inevitable existence of organizations and organizational relations. Today, individuals are put in relations with at least one organization and they are started to be identified with their membership to those organizations such as a student of X school, an employee of Y firm or a customer of Z bank.

Every organization has an aim in its formation and operates according to this purpose, for example, business organizations operate for economic returns, and governmental organizations serve the community for the purpose of gaining legitimacy. When we get a closer look, then, we find that there is a concept, which is 'management' common in all kinds of organizations. 'Management' can be defined as the art of employing organizational resources-capital, land, labor- in the most efficient way in order to reach the optimal results (maximum production, profit, customer satisfaction or minimum cost, defects etc.) with regards to the organizational goals (Rachman et al., 1993: 154). In that case, when individuals enter into a transaction with any organization they become a part of the realization process of an organizational goal and more importantly become the focus of management in that organization. Moreover, because of the multiplicity of the

organizations in modern societies even within a day individuals enter multiple number of transactions and multiple forms of managerial practice. And modern individuals (consciously or unconsciously) are subjected to the 'management' of particular organizations. That is they become a part of an economic rationality, which is gaining dominance everyday in many areas of life.

In due course studying management is very important to understand the complex nature of the modern societies we live in. In this study I will attempt to analyze management as a practice and a systematic knowledge of business administration in order to show that management as a discipline is also a control mechanism within the workplaces. Furthermore, the utilization of knowledge of management is not limited to private organizations but expanded into the public organizations during the post-war years with the advent of the welfare state. In this sense, management as a discipline has expanded into the public sphere and transformed the state and society. Thus, managerialism that is administering the public institution according to management's principles came to define the relation between the public institution and the private individuals. Thus management is not solely an economic and technical term, it has specific political and social implications. This study is an attempt to understand these political and social implications of management as a discipline and as a control mechanism.

In this context I will use Michel Foucault's understanding of power in my analysis and in particular apply two notions of him. The ideas on 'panopticism' and the notion of 'governmentality' employed by Foucault in his later works are crucial. I will use the ideas presented in the design of Jeremy Bentham's panopticon to show the features of disciplinary power and the operations of the disciplinary practices over the individuals. Governmentality will be applied to understand management as

a political rationality that is operating as a form of control over the society and at the individual basis.

The second chapter deals with the issue of management as a "business concept". To reveal the effects of management, it is necessary to analyze what management means in the economic sphere, how and when it emerged. Thus, I will present the historical foundations of management as a business administration. A review of significant management theories will be provided with the aim of showing the underlying assumptions of management. I will try to show how management presents itself as a 'science' with specific principles (efficiency, productivity, accountability) and practices and claims that it has universal applicability. Although, in recent management theories the assumption of being a science seemed to be left aside and more relativist, subjectivist theories were initiated I will argue that management is still operating on the premise of being a 'science'. Furthermore, this claim seems to serve for the legitimization of its practices: that is the increase of dominance and scope of control. On that account, the argument of this chapter will be that management was established and has been operating as a control mechanism over the production processes and especially over the individuals. The changing theories will reveal that such control mechanism has turned from a coercive apparatus to an inclusionary systems which aim to manipulate the workers and to persuade them to actively participate with the organizational goals. The obedience, active participation, increased motivation become the key words of contemporary management theories which, in fact, represent the deepening of the control mechanisms. Furthermore I will present management's claim of expansion into many other institutions of social life such as hospitals, schools and universities. For management scholars such an expansion means the introduction of the

management's rationality -that is basically economic rationality while presenting itself as scientific- into the political and social levels.

The third chapter deals with managerialism. I will attempt to show how management as a business administration expanded into public administration. The overall process will be presented within a historical process where the political, economic and social changes play role. I will offer to divide managerialism into three historical periods as micro-managerialism, macro-managerialism, and neo-managerialism. Such a categorization enables us to see the increasing diffusion of management into the public realm. I will argue that after the 1980's with the rise of Neo-liberal policies in governmental and economic sector neo-managerialism came into play and since then modern societies have been exposed to an increased effect of management mentality. It will be shown that there are significant changes in the nature of political relationships. It seems that the State is turning into a workplace - or formed of multiple workplaces- and the citizens become either the employees or the customers in its operations.

In the fourth chapter I will argue that management is a disciplinary technique of power in modern societies and it operates to rule and to control the bodies of the individuals within workplaces. In addition it also has the aim of controlling the outside or the whole society. Thus, firstly, I will present Foucault's notion of discipline, how it emerged and how it functions in the understanding of his notion of 'panopticism' signifies the rise of a disciplinary society. Then, I will go to the root of this notion and review Jeremy Bentham's design and ideas on Panopticon and argue that management represents the basic features of the idea of Panopticon. Both emphasize efficient, calculable management of the bodies and both claim to be the universal form of administration of any kind of organization. I will show that

panopticon was a design on control rather on punishment and is an instrument of transforming the individuals into rational, efficient and useful citizens. These premises seem to be true for management as well. When we evaluate the work and the labor as a disciplinary practice we see that management is more a control mechanism than a means of production. Finally, I will show that beside disciplining the inmates panopticon was also designed to prevent the outsiders-i.e. the free individuals- from any mischief. So, the discipline operates not only over the prisoners but also for the whole society. In this respect, management's attempt of extending its operations becomes meaningful since I will claim that it has directed its attention to the overall society to reach to a managerial society.

In the fifth chapter I will present Foucault's notion of governmentality which Foucault sees as the overall mentality that operate within the modern societies. Several points in the idea of governmentality will be important for my analysis. For Foucault governmentality raises the problematic of how to rule a society in an economic manner and concerns with the practical solutions of this question. In this respect, Foucault believes that the knowledge of government gains a scientific nature and the knowledge of governing becomes a technical issue, which can be learned and implemented by anyone. Based on this idea the issue of 'government' gains an autonomous nature. It is stripped from the thought of any sovereign ruler or from the idea of an institution. It refers to a mentality, which enables individuals to act, and also it refers to a set of techniques and technologies that discipline and modify the individuals. Thus, Foucault's notion of governmentality is useful to analyze management as a mentality that operates both at the micro level over the body of the individuals through disciplinary practices such as in the workplaces and also at the macro level as regulating, managing the public at large.

In this sense, in the conclusion I offer the notion of 'manageriality' to refer to the increasing dominance and expansion of mentality of management into social and political relations.

CHAPTER II

MANAGEMENT AS A SCIENCE

This chapter will deal with the issue of management as a business concept. In this context the word 'management' will be used to refer both the practice and the discipline of administering the business organizations and also the group of managers of those organizations. Within the management literature management is perceived and presented as a politically neutral, technically superior, rational and a universal form of administration that is applicable to all levels of social life. The contemporary transitions experienced at all levels of society signify the extension of management as the legitimate way of administration of social life. In that sense, by analyzing its historical formation I will search for the validity of management's claims that it represents a politically neutral and scientific way of administration. Further, its basic principles like efficiency, productivity will be analyzed. I will argue that management's basic function is to have control over its operational arena more than just simply aiming to improve productivity of organizations.

II.I. MANAGEMENT: HISTORICAL FOUNDATIONS

Firstly, it is necessary to note what the term 'management' refers to when it is used in daily life or in literature. In fact, the term has no one universal definition in the management literature. However, it is possible to derive a general idea based on the definitions provided by management scholars. One scholar argues that management can be thought as a 'process' (McFarland, 1963: 7). In this respect, it

can be defined as the process of "the coordination of an organization's resources (land, labor and capital) to meet a goal" (Rachman et al., 1993: 154). Yet, it should also be recognized that the term management is used within the context of business organizations and serves for reaching their goals at the end; so 'management' refers to the administration practice of capitalist business enterprises that operate for the sake of economic returns.

II.I.I. Industrialism and the Emergence of Management

The historical emergence of management as a practice and then as a scientific discipline is closely linked with the history of capitalist business enterprises that goes back to the Industrial Revolution beginning in the 1800's. The increased complexity of the production process and the desire of the owners to have control over the operations of their business organizations gave way to the emergence of management as a practice and the managers as a new ruling group within the society.

Although the use of machinery was not a new discovery of industrialism and it is possible to find some elements of industrialism in the pre-industrial eras (Clegg and Dunkerley, 1980; Theobald, 1994) the significance of Industrial Revolution is the domination of machinery within the production process. Industrialism had its roots in mercantilism. The basis of the international economy was the growing trade economies of mercantilism. Such an "overall expansion of trade required the shipping of bulky items over long distances, the provision of long-term credit facilities, the financing of large stocks and large-scale capital investments" (Theobald, 1994: 13) which in turn gave way to the establishment of large corporations which cannot be ruled by a family or run by a limited capital.

The comparison between the pre-industrial and industrial periods in terms of the features of economic enterprises reveals that "the most outstanding feature of the economic enterprise in the pre-industrial era is the close interdependency between the family on the one hand, and economic activities on the other" (Theobald, 1994: 70). The economy was based on agricultural production. The production was in small units and it was realized basically for the needs of the family. Capitalist production, has a new nature and it became industrial. It is realized for the market not for the needs of the family. In addition, in relation with the increased scale of operations and the production required a more autonomous operations for the economic enterprises. Industrial production requires large amount of workers, which sell their labor force on the market in exchange for wage.

Hodgetts (1990) in his work identifies six principal features of industrialism. One of them is the *standardization* of the goods that are produced. Second one is the *specialization* that is the assignment of each worker to a particular task and making him specialist on that task. The third one is *synchronization* that is the "coordination or blending of all elements in the workplace" according to a time schedule. *Concentration* is presented as another characteristic "which took two forms. In the first type of concentration, people left farms and concentrated wherever the factories were located, often in the cities. In the second type, business began to concentrate when major companies started acquiring large inventories of the two raw materials and other resources needed to dominate their respective industries" (Hodgetts, 1990: 6) Through this way, operations were *centralized* and coordinated within formal hierarchical organizations. Finally, *maximization* is the sixth characteristic of industrialization and it refers to the dominant tendency of that period where the corporations aimed to reach huge structures, large market shares greatest sales etc.

Industrialism cannot be claimed to be only an economical revolution. On the contrary, it had significant effects over the 'organization' of social, political and cultural life. The changes that occurred in the organization of work could be evaluated in terms of different phases of industrialism mostly in accordance with the technological changes (Hatch, 1997: 22-27; Theobald, 1994: 87-94). For example, in the early phases of industrialism the family structure of the pre-industrial economic organizations has continued to exist. However, the increasing size of the operations and the firms in the coming period necessitated the delegation of authority to the outsiders and 'subcontracting' came into appearance as a new system of work. Under the system of subcontracting the owner negotiates with the subcontractor a price for a particular volume of work. This way the required task is transferred to the subcontractor to realize. Under subcontracting the subcontractor becomes responsible with providing labor, tools, and in some cases raw materials and to supervise all the operations (Theobald, 1994: 92). All the risks and the responsibilities of the operations are passed to the subcontractor in return for a specified amount of price. Subcontracting is still a preferred system where organizations do not want to have a permanent employment in a particular function. The accounting, auditing or transportation functions could be delivered to a subcontractor firm. Through this way, the subcontractor became specialized in one arena and offers cheaper service and the subcontractee can decrease its responsibilities and its costs. Yet, the functions that require high control and have great importance cannot be transferred to a subcontractor.

In the third period we see the increase in the bureaucratic structures and emergence of management. The emergence of management as an administrative system refers two historical changes occurred within the history of industrialism.

Firstly, it is the increased complexity of the production processes starting in the second half of the 1800's. Secondly it is the increased size and number of factories and the dramatic increase in the number of the workers within the factories and within the society. Hodgetts (1990: 6) says that

The owners of the enterprises were most concerned with making greatest possible profit from their investment. A great deal of interest was therefore focused on streamlining operations, eliminating waste and motivating workers to increase their output

Then, "the increased technical complexity of manufacturing operations demanded parallel growth in systems of social organizations and bureaucracy, with their emphasis on control, routine, and specialization" (Hatch, 1997: 23). In addition, this change required, a permanent, more specialized staff that is 'management' to have continuous control over the operations and the workers. Thus, "the factory system caused management to focus on developing the most scientific, rational principles for handling its people, machines and materials and money. This challenge took two forms: (1) how to increase productivity (output/input) by making work easier to perform, and (2) how to motivate workers to take the advantage of new methods and techniques" (Hodgetts, 1990: 31)

The increasing majority of working class within the society had also other significance. Theobald (1994) says "since many of these (*workers*) were concentrated in large factories and in towns and cities, some kind of collective consciousness began to emerge" (Theobald, 1994: 68). Marxist theses declared that capitalism would eventually collapse. Accordingly there is a basic contradiction between the capital owners and the workers. Again, for the Marxists the proletariat class would eventually gain class-consciousness, which would led to a revolution. Theobald, in his study reviewed these arguments. He referred to the sociopolitical changes of that era and stated that

whilst it would be obviously be simplistic to term this consciousness 'revolutionary', the European working class was sufficiently volatile to be perceived by the ruling class as a threat to the established order. In the interests of long-term stability this was a class which had to be *incorporated* (emphasis mine) into, in the sense of given stake in, the capitalist system (Theobald, 1994: 68)

Thus, it is stated by some (Theobald, 1994; Clegg and Dunkerley, 1980) that in the later phases of industrialism there were new turns in the history of capitalism. One of the significant changes was that with the increasing bureaucratization of the economic and governmental organizations a new middle class came into appearance.

C. Wright Mills called this new class as 'White Collars'. He (Mills, 1954: ix) says

the white collar people slipped quietly into the modern society. Whatever history they have had a history without events; whatever common interests they have do not lead to a unity...Internally they are split, fragmented; externally, they are dependent on larger forces

With these words Mills pointed out the obscure status white collars have. They as a class was differentiated both from the capital owners and the workers but at the same time shared common points with the two. As Mills pointed out "in terms of property white-collar people are in the same position as wage-worker; in terms of occupational income, they are 'somewhere in the middle'"(Mills, 1954: 70). They seemed to have more power in terms of authority over the others at the workplace, more autonomy and skill than the workers and in terms of prestige white-collars demanded more from the society. By their rise in number and in importance, moreover, their position 'somewhere in the middle' white collar formed a third social group and they complicated the contradiction between the working class and the bourgeoisie.

In this respect, management represents the top level of the white collar workers. They do not belong either to the bourgeoisie or to the working class. Managers represent a group that have more prestige, more skill than the ordinary

white collar workers. In terms of property managers are closer to the capital holders. For instance Mills (1954) argues that managers are the new 'economic elite' since as the agents of the owners they have the power of control over the resources. Then, managers are seen as the members of the new ruling group, which can be divided into two: 1) the scientists or the technocrats and 2) the directors or the coordinators of the production processes (Bottomore, 1990: 84). The basic feature of this new ruling class is that they are labeled as professionals. The managers are, therefore, as Mills (1954) says "scientific technologists or administrative experts" who act independent from the capitalists interests and who take rational decisions (Mills, 1954: 103).

Therefore, the rise of managers as an 'economic elite' is credited by some as a transformation in the operation of capitalism. For instance, James Burnham claimed that the world is

experiencing a transition from the capitalist society -which is characterized by a specific production type, the autonomy of the industrialists and bankers and their specific belief system or ideologies- to a 'managerial society' (cited in Bottomore, 1990: 83)

In this respect, managers represented the solution to the unresolvable class contradictions and the vulgar functioning of the capitalist market system. They were also seen as responsible to regulate the economy with rational decisions and to harmonize the society by overcoming the contradictory relationship between the workers and the enterprise owners. They were seen as the agents of change as Burnham argued of the overall society into a managerial society. As C. Wright Mills pointed out the significance of the managerial society is that

the managerial demiurge means more than an increased proportion of people who work and live by the rules of business, government and labor bureaucracy. It means that, at the top, society becomes an uneasy interlocking of private and public hierarchies, and at the bottom, more and more areas become objects of management and manipulation (Mills, 1954: 77).

In this respect, the establishment of the management as a scientific discipline refers to the rise of the managerial society and the principles according to which the society is ruled, organized, manipulated and controlled. Within the discipline it is assumed that management of a business organization is a rational, orderly, intellectual process by which human beings get work done (McFarland, 1963: viii). Moreover, since management implies the administration of the organizations in economic terms it emphasizes the concept of *efficiency* where "(e)fficiency refers to the *economical manner* in which goal-oriented operations are carried out-something of an input/output ratio" (Jackson, Morgan, Paolillo, 1986:24). By being a 'rational' and 'scientific' process management treats individuals as 'objects of analysis'. Individuals are classified as workers, consumers, students, patients etc. and they are put under different surveillance techniques of management to find causal relationships in their relations with their environment and among each other. Therefore, management considers the individuals as objects of a scientific research and also conceptualize them as organizational resources that can and should be utilized. Workers like any other factors in the economic production function became objects, which are used, calculated, corrected according to productive goals. Moreover, they need to be controlled in order to keep them compliant to the wishes of the owners within the factory and to the system in general. The review of the management theories in that sense will reveal these points provided above.

II.II. MANAGEMENT: THEORIES AND PRACTICES

By the early 1900's management as a practice started to form itself as a profession. In addition, it began to form a body of knowledge that is the 'scientific knowledge' of management. Management schools were opened, McFarland (1963: 14) argues that one of the classical theorists of management Mary Parker Folletts's evidence for the growth of scientific knowledge includes:

(1) the development of the scientific management movement; (2) the increasing functionalization of management procedures, and increasing specialization of management effort; (3) the decline of arbitrary use of authority and a growth in the search for answers to the questions of 'why' and 'how' people behave as they do; (4) the increasing breadth of responsibility required of the administrative heads of organizational units and (5) an increased willingness to attempt to control economic and social phenomena, such as the business cycle.

This statement is important since it summarizes the historical formation of management and shows how its main characteristic, that is the aim of 'control', expanded its arena of focus. By having the claim of being a science management presents itself as a remedy to irrationalities occurring in the economic, social and political arenas. It specifies the individuals as the object of its analysis, tries to know them in depth, as to why and how they behave the way they do in order to modify them in accordance with the managerial goals. The control function is claimed to be the basic notion in management and management's control has been justified with the claim of being a science and with the aim of rationalizing the world.

The analysis of management theories from the classical to the contemporary era will reveal that the 'scientific' claim remains within the discipline of management. Moreover, this analysis will show us that in time the control function of management changes its apparatus. The coercive methods applied over the

workers were left and more 'integrative', participatory ways were developed. However, such changes do not reveal a decline of management's control rather they show us the deepening of control mechanisms. It will be shown that workers have been controlled by the integration techniques. I will claim that the currently developed theories aim to make workers active participants to the organizational goals through the rhetoric of increased satisfaction, motivation and participation to the management. New management theories I argue aims to incorporate of the workers into the system in order to make them more compliant to the wishes of the management.

II.III.I. The Scientific Management and Classical Era

The Classical Era refers to the early phases of the establishment of management theory that is the early 1900's. Management was proposed to be a science for ruling, and the environment to be the place, which needs to be corrected according to management principles. The significance of classical theories is that they neglected the 'human side' of the management and presented a mechanistic approach. The work, the organization, and the workers were viewed as parts of a mechanistic structure, which can be designed, calculated and controlled.

The founder of the term 'scientific management' was Frederick W. Taylor, a mechanical engineer. His book *'The Principles of Scientific Management'* was published firstly in 1911. In this work Taylor argued that the main problem of the American society is the 'lack of national efficiency' in all spheres of life (Taylor, 1967: 6). By inefficiency he meant the waste of resources which can be material like land, capital etc. or immaterial like time, effort etc. Taylor stated that the object of his work is to convince the reader that the remedy of the inefficiency problem is the

"scientific management" which he claims refers to the "universal, law like principles" that can be applied to all kinds of activities (Taylor, 1967: 7-8) . Thus, *The Principles of Scientific Management*, although intended for the operations within the workplaces was also assumed to be applicable in outside the workplaces.

Taylor viewed the main problem of management as the 'inefficiency' of the worker. For him, workers were usually lazy, and they were resistant to work. He gave three reasons for this condition. He said workers believed that if they would work hard and produce more then it would mean that employers would need less workers. Thus, the increased level of production would cause a large number of workers losing their jobs. Taylor also argued that there existed a conflict between the managers and the workers since both groups "perceive(d) their relationship as a zero-sum game -any gain would be at the expense of the other-" (Taylor, 1967: 10). In addition, under the implemented management techniques , he called it as the 'rule-of-thumb' management (Taylor,1967: 100) there was no consideration for the match of the workers to their jobs. Taylor argued that there were no clear concepts for the responsibilities of the worker and the management. Moreover, the management in the operations took no rational decision. Thus the inefficient management and the inefficient work methods represented the two other causes of the inefficiency of the workers and the production processes.

Thus, Taylor offered the rationalization of the work and the organizations. He put forward the notion of Scientific Management The successful application of which would fully exploit the efficiencies of specialized labor through the close supervision of employees who would carrying out highly specified physical work.

His 'pig-iron' experiment is well known example of scientific management. In this experiment he tried to increase the average daily output of workers "who

loaded ingots (called pigs) of iron into railroad cars" (Hodgetts, 1990: 32) at Bethlehem Steel Company. Taylor chose a worker and by using money as the motivator he carried out his experiment. Under his observation, the worker tried different ways of loading, some days "lift the pig irons by bending his knees, whereas on other days he would keep his legs straight and use his back" (Robbins, 1996: A-8). In addition, Taylor studied different variables having an effect on the performance of the worker like the rest time. At the end of the experiment he claimed to have found the best way of loading, and required the other workers to be educated to imply the same way of loading the car. So, he argued that management like engineering could be turned into a mechanical task.

What Taylor's scientific management claims is that there is 'one best way' of doing a job which is rational and efficient. So, he developed four principles of management:

First: Develop a science for each element of a man's work, which replaces the old rule-of-thumb method.

Second: Scientifically select and then train, teach, and develop the workman, whereas in the past a workman chose his own work and trained himself as best he could.

Third: Heartily cooperate with the men so as to insure all the work being done in accordance with the principles of science which has been developed.

Fourth: There is an almost equal division of the work and the responsibility between the management and the workmen. The management take over all work for which they are better fitted than the workmen, while in the past almost all of the work and the greater part of the responsibility were thrown upon the men (Taylor, 1967: 36)

Johansen (1999) claims that "the most important aspect of scientific management was to remove all knowledge from the worker and make it a management property. Functional supervision was introduced such that each step in the production process could be controlled by management" (Johansen, 1999: 5). This is true since Taylor (1967) argued that in traditional management workers were

left alone with the responsibility to do their works, and they were not able to follow the principles of the science or art of management which in fact exist. (Taylor, 1967:25). Thus, the knowledge of the worker was taken and systematized within Taylor's scientific management to provide the principles of scientific management.

Hatch states that Taylor's "belief in the powers of objective measurement and the discovery of laws governing work efficiency are carried into the modernist perspective in organization theory where his techniques lay the groundwork for management control systems" (Hatch, 1997: 31).

Again one other important point is that by having great emphasis on the maximum output and the maximum profit Taylor assumed that he could solve the contradictions existing between the workers and the owners. This claim was supported by 'piece-wage' system where each worker is required to perform a minimum level of work for a specified wage (for ex. 30 pieces, \$1.15 per piece) and every over- performance was awarded with a higher wage rate (like 35 pieces, \$1.35 per piece). In that way he aimed to solve the problem of laziness of the workers since he believed that they would work hard for money. Johansen says that

The new outlook that comes under scientific management is this: The workmen, after many object lessons, come to see and the management come to see that a great surplus can be made, providing both sides will stop pulling apart, will stop fighting and will push as hard as they can to get as cheap an output as possible, that there is no occasion to quarrel. Each side can get more than ever before (Johansen, 1999: 5)

Thus, according to Taylor if the worker could share the profit then there would be no conflict between the owner, the manager and the worker and the cooperation of the two groups represent the essence of scientific management. (Taylor,1967: 26). For Taylor the recognition of this mutuality of interests between the managers and the workers means a complete mental revolution (Taylor, 1967: 100). Scientific management is much more than the sum of principles that is

required to do a work. Rather, it refers to a total shift from the methods and knowledge of traditional management to a scientific way of administration.

Implementation of Taylor's method caused significant increases in the production and was extended to many other business organizations as a new way of management. Henry Ford's car factory is a good example for the realization of Taylor's scientific management. Fordism is important not only with the introduction of mass production of cars but in many senses. Henry Ford by inventing the assembly line achieved significant reductions in the production process of the cars. In his car factory the tasks were divided, the workers were motivated through high wages as scientific management offers. Taylor, and his notion of scientific management and Fordism as the realization of the scientific management theory play major roles in the organization of the economic processes. Whatever conditions or transformations we are experiencing today has its roots in this historical development of scientific management. Scientific management approach introduced the 'rationalization' of the tasks into the organizations. Clegg and Dunkerley mentioned that Weber, the founder of the theory of modern bureaucracy who praised the rationality of administrative decisions argues that "rationalization of work...is to be found in its most extreme form in the American system of scientific management"(cited in Clegg and Dunkerley, 1980: 95). In *The Theory of Social and Economic Organizations* Weber stated that Taylor's system is a 'pioneer' in the rationalization of work in terms of offering the business organizations a set of principles that is rational and able to respond the complex nature of their operations (Weber, 1964:261). Accordingly, Taylor's system is successful in removing the irrationality from the process and reached the most calculable, specialized and repeatable work knowledge.

By this way Taylor aimed the dehumanization of the work, the organization and the task of management which would eventually lead to maximum efficiency.

As Clegg and Dunkerley state

the modern large corporation is a line of directly descent from the ideas of scientific management...Taylorism, in modified forms, has become the orthodox doctrine of technical control in contemporary industrial capitalism, based on the high-wages policy, And not only in capitalist organizations. As a practical way in which any management or administration can gain control over the labor process it has become the basis of organization in countries such as the USSR, and in nationalized non-productive sectors, such as hospitals in the British Health Service (Clegg and Dunkerley, 1980: 97)

Then, Taylorism as its founder emphasized before, does not refer to an economical process limited within the business organizations only. Rather it refers to a 'mentality', which has the claim of being a science and universally applicable. Clegg and Dunkerley claimed that it enabled the increase of the control of the employers over the workers through rationalization of the work (Clegg and Dunkerley, 1980: 97). On the contrary, the worker was evaluated as a means of production, one of the economic resources that should be utilized efficiently to reach maximum profit. The organization is conceived as a mechanism, which can be designed, and programmed to reach a specified end through the most efficient way. However, conceiving Scientific Management as a sole exploitative system that is working for the benefit of the capital holders would be misleading. Taylor offers his theory as a revolution in the mentality, which requires a compromise between the managers and the workers. As later management theories will reveal his emphasis on the compromise, and harmonious work environment will increase in management theory. In time, management becomes the knowledge of how to rule not only the work process, but also human beings, and the social world they live in through a rational, effective and efficient way.

Although Taylor's understanding gained popularity in many areas and for years it also received criticism both from within and outside of the discipline. His scientific approach was found to be dehumanized and for increased the control over the workers (Clegg and Dunkerley, 1984). Moreover, increased control of the management over the workers caused problems. Strict implementation of scientific management caused managers to act like guardians who threat workers by replacing them with more efficient and more productive workers. In addition, among the workers there appeared to be antagonistic relations; those who showed over performance were called as 'rate busters' and they were sanctioned by their co-workers. Thus scientific management gave rise to strikes and increasing tension among the workers and between the workers and managers. This led to revisions in the management theory in order to overcome such tensions.

II.II.II. The Behavioral Era and Hawthorne Studies

When Taylor's bureaucratic structure of management did not operate perfectly and faced problems, a second wave of thought arose. Unlike the Taylorists this second group of scholars were engaged with the human side of organizations and they were trying to develop a 'behavioral approach' to management.

Hawthorne Studies is the famous example of behavioral approach and is accepted to be the turning point in the formation of Human Relations School which has focused on individual and emphasized the psychology of the workers. Hawthorne experiments were carried out by Elton Mayo and his associates where the experiments

originally begun in 1924 but eventually expanded and carried on through the early 1930's. The experiments were initially devised by Western Electric Ind. Engineers to examine the various effects of various illumination levels on worker productivity (Robbins, 1996: A8)

The engineers expected that the increased level of lighting (representing the work conditions) would cause an increase in production. However, they were surprised to find out that in every case the production level increased. In that situation, Mayo and his associates were consulted, and new experiments begun. This time, more variables were introduced such as the changing work hours, coffee breaks, wage plans and the effects of those variables were measured. At the end of the experiments it was stated that it is neither the incentive plans nor the physical conditions at the workplace that were increasing the motivation of the workers. Rather, it is the attention of the managers and the effect of the social norms or standards of the group, which influence the individuals' work behavior and increase their production.

Thus, a new era started in which worker's satisfaction was emphasized. A shift of concerns from the dehumanizing scientific approach to the psychology of the workers occurred. Then, the aim of this approach was presented as to create a cooperative work environment -where a harmony between the managers and the workers - was desired.

Stephen Waring in his criticism of Hawthorne Studies argues that Mayo "believed that individualization and destruction of craft systems had caused 'social disintegration' and normless, maladjusted behavior" among the workers. They are, therefore, seen in a pathologically anomic position by him where managers contributed "by being more concerned with economic efficiency than social solidarity"(Waring, 1991:15). Waring argues that according to Mayo the problem of administration "indeed the problem of individual civilization itself, was workers' 'anomie' rather than the centralization and specialization in bureaucracy"(Waring, 1991:15). Mayo, then, offers a new way of management to deal with anomie. He

wanted to convince the workers to cooperate with management by giving them "a sense of participation, a feeling of release from constraints"(Waring, 1991:15).

Alongside its methodological criticism Hawthorne Studies and Mayoist approach provide no 'humane' workplaces. Actually, what Mayo offers with his theory about the workers does not go beyond Taylorism. Rather, it extends its scope of analysis. Taylor presented a theory defined within the workshop and his focus was basically within that. He defined the worker within the factory and tried to correct him within the work process. However, Mayo took the issue as a social problem, as an 'anomaly' and aimed to restore it.

Johansen in his work refers to this point where he argues that Hawthorne experiments reveal the management's ideology which is affected by positivist approach and has a claim of reaching the -so called-equilibrium in the environment. According to these view "society is to be understood in terms of a system tending towards equilibrium; if this equilibrium is disturbed, forces are set in motion to restore it."(Johansen, 1999:24) In that sense again,

this equilibrium model, as applied at the societal level, is transferred without justification in more or less unchanged form to an analysis of the work situation. The individual now becomes an equilibrium system and any deviations from the equilibrium position become a managerial problem, which can be solved by behavioral modification (Johansen, 1999:24).

Through this way, Hawthorne Studies continue to follow the scientific approach and aimed to modify the environment. Such a desire was particularly effective on the workers. So, they became subjects of a manipulation process that was gaining speed and density every day.

II.II.III. Post-Taylorist and Post-Mayoist Developments

The attempt to move beyond Taylor and Mayo led to the newly emerging theories starting from the 1950's and came into application during the 1970's. The criticisms coming from within the discipline mostly focus on the failures of scientific management either to revise the theory or to develop alternative systems. Criticisms coming from within favoring Taylor blamed the following implementers of 'scientific management' method. They claimed that the implementers failed since they were engaged in organizational politics and distanced themselves from the 'science of management'. On the other hand, the second group, which claimed that it is the bureaucratic structure of Taylorism that overemphasized the efficient production and neglected the workers and eventually, exploited them. Therefore, they started to look for developing alternative theories for management.

The first group engaged in the scientific aspect of the discipline and was concerned with the quantification of management. They created the Operations Research (OR) and management science. OR "assumed that efficiency could be best achieved, first, by clarifying the objectives of the whole firm; secondly, by insuring that the subgoals of each part were consistent with the goals of the whole; and finally, by unifying the work of each part " (Waring, 1991: 25). The developers of the OR practice were the outsiders to the business organizations. For this reason they claimed to be able to view the process of management objectively and scientifically. It has been argued that "that managerial problems existed in only eight forms: inventory, allocation, queuing, sequencing, routing, replacement, competition, and search" (Waring, 1991:27) and for these specified problems a set of standardized tools were developed. With the extended usage of the computers in these applications the techniques became more dehumanized.

By the 1970's it was realized by the managers and management theoreticians that OR is not applicable to every problem and does not solve but sometimes cause problems. For example, the usage of sophisticated applications caused communication problems within organizations since the organizational members - except the technicians of OR applications- lack the knowledge that is required to understand the process and do not understand the applications. Eventually, the communication problems made the OR applications a costly method that is not efficient and OR lost its popularity.

On the other hand, OR, was not found scientific by some; it was rather evaluated as an attempt of creating a "'myth' that *-management-* was a positive science like physics" (Waring, 1991:35). According to Waring who argues that recent management theories are not very different from Taylorist methods, OR is merely the process of the science of management which at the end aims to increase profits. In this sense for him, "lacking the understanding of scientists, they (*OR practitioners*) had become mere technicians, and their schools had trained more technicians, thereby creating a 'self reinforcing' process that prevented the field from becoming scientific" (Waring, 1991:36). Operations research as a method then, was not about to change the paradigm but to overemphasize the process of scientification. Moreover, although OR is assumed to be apolitical by engaging in quantitative side it failed to be so. According to its critiques within the profession the standard methodology had ignored the moral dilemma in setting values (Waring, 1991:40). Furthermore, it seems that in order to serve the management science's ends OR denies the workers (organizational members) or only includes them as factors within a mathematical equation. Standard operating procedure, reversed Kant's moral law by always treating people as means and never as ends (Waring,

1991:40). The Marxist tradition, on the other hand, argues that as a technology and as an ideology. OR duplicated bureaucratic process under capitalism and treated people as factors of production (Waring, 1991:46). Its way of dehumanizing work conditions and linking all these with an overall goal makes OR methods as instruments merely serving a newly emerged 'managerial capitalism'. In this sense its claim of being science is to make capitalist relations of production appear natural and inevitable (Waring, 1991:46). So, while the OR created new processes of bureaucratic management means of which they did not leave the Taylorist approach aside but deepened the notion of being 'scientific'.

On the other side, the extended theories based on Human Relations School were developing. At the basic level the 'human' emphasis of the behavioral approach was presented by the newly emerging theories. However, some scholars criticized the Human Relations School for trying to repeat the same dysfunctions of the Taylorist bureaucracy without reforming the bureaucracy itself (Johansen, 1999:7). Therefore, they sought to develop different ways of looking at management and organizations in order to achieve a harmonious work environment. This caused them to move "toward political philosophies that appeared more like varieties of corporatism" (Johansen, 1999:7). Hostility towards both liberalism and socialism was inherent in this thought and a desire for harmony was immanent. "They wanted to use scientific methods and knowledge to eliminate social conflicts and eradicate economic inefficiencies, and then tried to avoid overt exercise of power, tuning instead to educational propaganda, therapy and a political expertise" (Johansen, 1999:16). These new theories hoped to make every employee a manager and integrate the individual and the organization (Waring, 1991:134). Thus, as being a product of those poured social scientists of the Human Relations School concerned

with the individuals' increased motivation both through satisfying his needs and enriching the job he deals with.

Maslow's Hierarchy of Needs is a typical example of the satisfaction concern of that period. According to Maslow, human beings experiences five phases of motivational needs, progressing "from lower physiological and safety needs, through higher social need for love and esteem to highest ego need for 'self-actualization'" (Waring, 199:134). In regard to this theory, the individual is motivated with the unsatisfied need, act in order to satisfy that need and once it is satisfied s/he move to a higher level and the satisfied need does not motivate anymore. Then the manager's task became to specify the motivational need of the workers and develop strategies to motivate the worker continuously.

Frederick Herzberg advanced Maslow's idea of hierarchy of needs and he classified two factors of motivation. The one called as 'extrinsic factors' and they represent the outside factors like the work environment and working time. According to him the existence of extrinsic factors do not motivate the workers whereas their lack caused dissatisfaction. On the other hand, motivation is directly related to the intrinsic factors such as liking the job, desire of achievement.

It is claimed that by these Post-Mayoist theories the way to motivate the workers cannot be the coercive assignments as the early management theories offer. Material rewards as the factor of motivation could increase the performance and production, however, in the long-term it also fails to provide the integration of the workers with the organizations. What is desired is not the workers working for avoiding punishment or maximizing their self-interests but 'participators' who internalize the organizational goals and work like they belong to a family. Therefore, the enrichment of the job with the increased respect to workers and their increased

participation is aimed. Democratic organizational environments are emphasized and gained a wide acceptance within the business environment.

II.II.IV. Japanese Management

The rapid and major development of the Japanese economy after the Second World War caused many studies focusing on 'Japanese miracle'. American scholars have recognized that the Japanese economic growth had several reasons one of which is the management of organizations. Therefore, an increased attention was directed towards the Japanese management and their organizational structures. Especially, after the 1980's the domination of Japanese management styles increased within the management literature all over the world.

Japanese management represents the harmonious work environment in the current management literature. Japanese management require consensus among the organizational members in decision making. Moreover, there is the policy of lifetime employment within organizations, which is claimed to represent a relationship based on loyalty between the employers and the employees different from the contractual one. Japanese management, therefore, provides a new vision for management, which accelerates the corporatist tendencies. Employees have been integrated with the management, they were also aimed to turn from deskilled labor into generalists- who are capable of handling multi tasks and have control over their own work. Current practices and notions like Total Quality Management, Business Process Engineering, and Empowerment of the Workforce are typical examples of this new management style and they have gained acceptance all over the world. ¹

¹ Further information on Japanese management see Sai, Y.(1995); Whitehill, A. M. (1991)

However, evaluating Japanese management, as a new paradigm is also a misleading thought. It is presented as the way to integrate the Eastern 'art' of Management with Western 'science'. In other words, it is a combination of the Taylor's scientific methods with corporative work environment project meaning to represent every interests of the organizational members within management and make them to cooperate with the management . Long before Taylor's scientific approach gained popularity in the U.S and in Europe his works were translated into Japanese and his principles gained dominance in the productive processes in Japan economy. Moreover, the harmonious work environment that is aimed by the Post-Mayoist theories do not resemble a conscious choice of the managers to integrate the workers within the system. Rather, this case is a result of the Japanese culture that favors obedience, and a harmonious environment. Thus, Japanese Management does not offer an alternative to the current practices. It has its roots in the existing literature and principles of Taylorism. In addition, it provides the ground for the later theories that claim the inclusion of the workers within the system.

II.III: MANAGING THE WORLD/ MANAGERIAL WORLD

"The emergence of management as an essential, a distinct and a leading institution is a pivotal event in social history. Rarely if ever, has a new basic institution, a new leading group, emerged as fast as has management since the turn of this century. Rarely, in human history has a new institution proven indispensable so quickly; and even less often has a new institution arrived with so little opposition, so little disturbance, so little controversy"(Peter Drucker, 1986:4).

We have seen so far, how the management theories and practices have changed in time. Management as the administration of business organizations took a long way in time. However, as stated earlier, the management has already extended

its operations so that it went beyond the limits of business organizations. Peter F. Drucker (1998), who is one of the most famous gurus of management, in his article, *Management's New Paradigms* aims to show the insufficiency of old assumptions of management and promotes the extended coverage of 'management'. His concern and effort can be summarized as to decrease the burden between the 'inside' and 'outside' (of the organization and of the focus of management). Drucker (1998) emphasizes the necessity of expansion of the management's operation area and claims that it should not be limited to the business enterprises.

Firstly, he aims to make a definitional correction related to management since its first appearance. For him, it is misleading to regard management as solely a business concept. Drucker argues that management has not been merely an economic or a business concept. Rather the word 'management' was originally covering both political and economic operations; also both the profit and non-profit organizations. According to him "the identification of management with business management began with the Great Depression, which bred hostility to business and contempt for business executives" (Drucker, 1998:156). It was only after the Depression the public sector management named itself as public administration and developed a separate discipline. For Drucker 'management' regained its honor with its successful operations in time. Thus it is now necessary to pull down "the artificial distinction between the business and non-business organizations" (Drucker, 1998: 156) and the management of these two sectors. The article reveals that Drucker offers a strategic move by claiming that administration and management are not two different concepts he aims to legitimize the extension of the operations of management. This is because as Drucker foresees that in the 21st century the most

rapidly growing sector will be the non-business sector where 'effective management' is required.

The second point is related to the questioning of the basic premise of management that there is one right way of management and "there is or must be a single 'right' form of organization" (Drucker, 1998: 158). He criticizes management's assumption that there is one way that is true and applicable for all conditions. He points out the changing paradigms of management from Taylorism to Japanese management and offers that there should be a mixture of this structure. Accordingly, the managers should be able to differentiate and specify the most suitable one for their organizations. "In any enterprise...there is a need for a number of different organizational structures coexisting side by side" (Drucker, 1998: 158).

One of the major contributions of Peter Drucker to the management literature, is the notion of 'knowledge workers'. He argues that in today's business environment a distinction between the employee and the manager is unnecessary and ineffective. At the beginning of the century Frederick Taylor's scientific approach was emphasizing such distinction. He introduced the separation of 'planning' and 'doing' of a task and put the workers in a deskilled position by attaching them only the doing function. That was also one of the major criticisms of the Marxist approaches. However, Drucker claims that in current business environment this is not the case anymore. He points out the increasing number of the white-collars and claims that today; employees become 'knowledge workers'. They "own their means of production which is their knowledge" (Drucker, 1998: 165). In this sense, they cannot be managed as subordinates, for Drucker, but should be treated as partners. Their contribution to the organization should be 'voluntary' and this can be achieved through 'persuasion'.

This kind of a view seems to have a dual function; one is to overcome the Marxist notion of class conflict by the inclusion of the workers within management. The other one is that, if any conflict arises between managers and the workers it will not be evaluated as a result of the contradiction between two different class interests. Rather such conflict could be presented by this way, as it is a natural disagreement among the partners and the resolution of which it would be for the benefit the organization.

Another point made by Drucker is that with the changing conditions it is no more possible to separate the industries from each other. An organization is affected not only from its own industry's conditions but it must be responsive to all kinds of effects from all industries. He says that once "where one company competed within an industry, today industries compete with industries" (Drucker, 1998: 168). This disappearance of the borders is also applicable for him when one considers the national economies. Drucker (1998) argues that one organization does not need to be limited with the legal definition. He gave the example of Japanese *keiretsu* model. The *keiretsu* "is a group of organizations each of which owns shares in the other organizations in the group and which work together to further the group's interests" (Jones, 1995: 232). It is obvious that whatever the name it has such a system is not compatible with the competitive market structure. It enables for the firms belonging to the same *keiretsu* to decrease the uncertainties of external environment and the risk of their operations. Although such alliances might be legally inappropriate for some economies, management can create legality for these operations and create its arena of operations by creating necessary paradigms through the discipline. Management's legitimizing function is repeated here, where the legality is not considered to be important.

Lastly, but more importantly for our study Drucker mentions that what is needed is to redefine the concept of management. Management should not be viewed as limited within the company but one has to extend its scope to the outside of the organization, which means that "bringing the world into the organization"(Drucker, 1998: 173). It has been stated by him that management functions should focus on the 'outside' to find out more about the customers, potential customers, suppliers, external factors etc. He says, "management does not need more info about what is happening inside. It needs more information on what is happening outside" (Drucker, 1998: 174-175). Customer's value is emphasized in current operations of management and it is claimed that their needs and desires should be known by the organizations in order to operate effectively. Drucker in his conclusion states that "the center of a modern society and economy is not technology. It is not information. It is not productivity. The center of modern society is the managed institution" where "it exists to produce results on and in society"(Drucker, 1998: 176)

Coming to the relevance of Drucker's thought we need to assess his assumptions. Firstly, while arguing that there is no one correct way of management and emphasizing continuous change of the paradigms he states that there are also 'universal' principles for him, which cannot be challenged. The first principle is the inevitable existence of managers as decision-makers. Then, a hierarchical structure at the end, even hidden or explicit inherently exists in all type of structures. Therefore, although he claims to go beyond Taylorist assumptions and organizational structure he in fact does not offer a new paradigm in that sense.

Moreover, I think Drucker's notion of 'knowledge workers' is also problematic. He claims that workers own their own knowledge and are no more

subordinates in their relationships with managers. However, one important point should be noted. It is obvious that the employees gain knowledge of work either within organizations or management schools. That 'knowledge', which Drucker refers as the means of production, then becomes merely a product of management practice and the discipline. With the increasingly complex scope of knowledge, workers become more dependent on the management in the recent years. Then, Drucker's claim of 'knowledge workers' as partners seems not to be valid but represent a make-up of a mechanism of 'manipulation'.

Lastly, his emphasis on the disappearance of the borders, and scopes of definitions should be interpreted as management's attempt of legitimating its functioning throughout the society. Management's desire then can be put as not managing within the society but managing the society through all kinds of institution.

Waring, (1991) in his analysis continuously emphasizes the political side of management. He makes an interesting analogy and puts that "the modern business is a polity, managers are its princes, academicians working in business schools are its philosophers, and managerial techniques are its constitution" (Waring, 1991: 1) Therefore, it is natural to study management in relation with political theory since they both are 'different species of the same genius'.

CONCLUSION

This chapter aimed to explore that management, as a rule over workers historically emerged as a result of the increasing complexity of the economic and productive structures and the power struggles within the society. In time it gained a formal status, and formed itself as a profession and as a discipline and increased the scope and effects of its operations. There are some specific principles according to which management operates and these principles did not change. The first one as already mentioned is the claim of being a *science*. Management discipline since its formation tries to present itself as a science and the knowledge that it creates as a scientific knowledge. The consideration on *efficiency* is the second principle. Being at the basic level as an economic practice management emphasize the notion of efficiency and claims that the success criteria of any operation is the maximum efficiency (reaching the maximum desired outcome with minimum input). However, my point is that management since its establishment operates as a control mechanism over the work processes and especially over the workers.

In time management theories changed in such a way that the managerial power once external to the employees and therefore, implemented over them through coercive assignments like punishments. Then, more humanistic approaches and flexible structures developed. Although the management gurus and managers have stated that new theories go beyond the old I argue that they are not so different from Taylor's scientific management. The importance of the newly introduced theories of management is that they claim to offer better work conditions for the workers and increase the satisfaction of the workers. In my opinion, this novelty is more about the control function of the management. Once using coercive methods

and strict policies, in time management turned into a system of integration and manipulation and it was designed in such a way that the employees would 'internalize' the wishes and the objectives of the authorities. In that sense, it is important to recognize management's role, since it is more about control than production. The current changes in the work environment, employee policies of the governments reveal that the aim of increasing production levels become secondary. Rather, the object seems to decrease the resistance of the workers. More importantly management aims to make workers work more willingly. By being more autonomous and qualified they were expected to have more satisfaction from their work. The control mechanism in that sense, is directed from outside to the inside. Rather than, having external, coercive mechanisms, management directs itself towards internal, persuasive and cooperative mechanisms. At the end, however, it still controls the workers.

Furthermore, management as a discipline claim to be a science to administer. It is, therefore, argued to be universally applicable in all kinds of organizations, governmental, business or social. This claim is inherent in the discourse of management since Taylor's scientific management was introduced to the production process. As Drucker argued management's new paradigms require to take the control of the outside: not only the workers but also the customers, and the suppliers; not only the business organizations but also public institutions. In short every institution of social life should be ruled by management. It is the 'managerial society' which management scholars and management gurus have been favoring and initiating. With the claim of being a rational, scientific form of administration that has a focus on efficiency management claims not to be considered solely as a business concept. Management scholars and management gurus think it as the remedy for *all* social

irrationalities. One of the management scholars said, "management is not a process existing apart from mankind, to be found only in isolated places. Rather, it is a universal element of all organized living...While the idea of management is most readily studied in its industrial and business context, it is well to note its widespread applicability" (McFarland, 1963:3). Moreover, the same scholar argues that

in a world in which various political ideologies are in conflict, and in which societies based on heavy industrialization are increasingly prominent, the skills of management may well mean the difference between adequate and inadequate solutions to these ideological conflicts(McFarland,1963

In this context in the next chapter I will deal with the extension of management rationality into the public sector and many arenas of social life. I will analyze managerialism and its effects as the 'managerial society' in the next chapter.

CHAPTER III

MANAGERIALISM: MANAGING THE OUTSIDE

The expansion of management into the political, and social spheres which is called as managerialism in the literature. In this chapter I will present the basic premises of managerialism. It will be claimed that managerialism, came into existence within the historical conditions of capitalist development. It revealed itself as an increasing awareness among the management scholars and corporate managers about the 'social responsibility' of the firms towards the society. Based on such a claim managerialism can be ranked in three forms in terms of its level of diffusion into and effects over the social life. These three forms will be called as micro-managerialism, macro-managerialism and neo-managerialism. Micro-managerialism, based on the work of John R. Danley, is defined as the operation of the firms with a greater emphasis on ethical considerations in their operations. Here, management is praised as scientific knowledge that is politically neutral and technically superior form of administration so that it could intervene the social life. Macro-managerialism, on the other hand, came into appearance with the economic, political and social conditions of the post war period. In line with welfare state practices and Keynesian policies managerialism favors an intervened market, negotiation with the working classes and an increased sensitivity towards the social issues such as the welfare of the employees, their families and society in general. In this sense, managerialism emphasizes the mutual action of the state and corporations in the process of creating a *harmonious* social environment.

During the 1980's another type of managerialism has expanded. Neo-managerialism, gained popularity with neo-liberal policies. At this point we face with the expansion of management rationality into the political and social body. This reveals itself in the increasing emphasis on the market, its rationality and the attempt of imitating its operations in every other spheres of social and political life. Neo-managerialism as 'New Public Administration' ranges from the practices of withdrawing the state from production process, to market's operations in restructuring state's institutions and bringing management mentality to state's operations. Through various reforms such as privatization, outsourcing, downsizing etc. public institutions are aimed to be businesslike practices. The basic premises of management as I have pointed out earlier were *efficiency, rationality* and *control*; these became dominant considerations in the public sector operations. Scholars point out the changing relationship between the state and citizens and the changing role of the latter within neo-managerialism. Accordingly, citizens become customers in their relations with public institutions

III.I. HISTORICAL DEVELOPMENT OF MANAGERIALISM

III.I. I. Micro-Managerialism

The trust on the management rationality has its roots in the belief in the scientific rationality in general. Theobald (1994:127) says, it was believed that the development of industrialism

Was not a happy accident but a necessary outcome of the 'logic of industrialism': the outworking of scientific rationality as it expresses itself in the process of production and in social institutions generally. If the path of industrialism is determined by some internal scientific logic then it follows that if human beings were to acquire a sound of understanding of this logic fact, then they could predict and plan the course of social change

In this respect management has a significant role, since it represents politically neutral and technically superior form of knowledge and practice. Like Weber's bureaucracy, it is claimed that the managerial bureaucracy is stripped from any personal interests and serve for the improvement of the overall society. According to Theobald it is the desire of reaching a 'rational society' "in essence the condition which approximates closely to the society of 'order and progress' which pioneering sociologist August Comte believed that correct social scientific planning would eventually produce" (Theobald, 1994:127). Clegg and Dunkerley state Comte emphasized a 'harmonious society' and a 'moral attitude' of the capital owners since for him "the possession of private wealth and capital should be accompanied by a sense of *social duty* (emphasis mine). The rich, particularly the industrialists, managers and financiers, must display social responsibility by furthering the aims of social order"(Clegg and Dunkerley, 1980:10). Although the term 'managerialism' was not in use in those days, Clegg and Dunkerley argue that Comte's perception echoed the principles of 'managerialism'. With Danley (1994) I will argue that Comte's approach can be defined under the label of 'micro-managerialism' (Danley,1994), where the capital holders, and the managers were claimed to be acting in a 'socially responsible' manner. However, this claim is seen as limited by Danley.

At the turn of the nineteenth century industrialization gained pace and it brought about an increasing complexity into the modern life. Rising complexity of the production process, centralization of the operations affected the social and political life. The economic inequality between classes sharpened as the economy developed. The increasing majority of the working class within society led to the rising unrest and their politicization started to be a challenge to the system. In the

meantime at the business level, the increasing domination of the large corporations were taking place. With their increased scale of operations and centralized capital those huge corporations prevent perfect competition and they operate in an oligopolistic structure. In addition to the huge amount of centralized capital those corporations became major power centers having the ability to affect the political processes. For that reason, they cannot be represented as simply interest maximizing private agents anymore but claimed to act in a "socially responsible" manner (Danley, 1994:141). Danley claims that this conceptualization represents a simple understanding and calls it as 'micro-managerialism' having no clear conceptions of what socially responsible behavior is and unable "to provide a coherent and morally defensible argument" (Danley, 1994:209). Rather, micro-managerialism can be defined with a rising desire of harmonization of the work place, *humanization* (Danley, 1994:158) of the production and an increased attention to the public image. Therefore, he argues, a more covering approach that he classified as macro-managerialism came into appearance later after the Second World War in close relationship with organized capitalism. However, the significant point in micro managerialism is that, it recognizes the notion of 'society' as an entity that is not external to the business organization. We have seen the regulation of the production process in the first chapter by management. The case stated there was that management perceived the worker as the part of the production process, as the organizational resource, which can be controlled, manipulated and regulated. The changing management theories do not reveal any shift in the mentality. Rather, it was the changing apparatuses of the manipulation process of the management and the desire of including the worker within the system. The notion of managerialism, in this respect, refers to the shift of the management's focus towards the society. The

social life, is started to be perceived as something to be regulated, controlled and as something to be made the part of the production process. In that sense, with the increasing domination of managerialism macro-managerialism came to the fore as a more covering and solid practice.

III.I.II. Macro-Managerialism

The period which is characterized by macro-managerialism starts with the end of the second World War and lasted till the 1980's. Being formed within the economic, political and social conditions of the post-war period macro-managerialism refers to the solid practices of the business corporations. We witness the increasing effect of corporations on the political processes. In that sense, macro-managerial premises have a close relationship with Keynesian policies and welfare state practices. And in relation with these notions macro-managerialism claimed to work respectively for the stabilization of the economy, for the improvement of the society's living conditions and creating a harmonious social life. However, I argue that macro-managerialism refers to the extension of the managerial control over the society through diffusing into the political processes.

The 1929 depression and the stagnant war economies provided the basis of Keynesian economic policies. The increasing level of unemployment, stagflation, and decreasing levels of profits weakened the trust in the natural functioning of the market. The failure of the idea that the market would reach equilibrium somehow raised the demands that it should be regulated according to some rational principles. Keynesianism, on that account started operating with the promotion of the state's interference into the market. The state would provide the rational functioning by taking preventive actions in case of crises and create an artificial but a safe

environment for the business organizations with a more facilitative role. It aimed to provide the optimum conditions for business organizations to operate in a rationalized environment.

For a long time Keynesianism, served as the stabilization mechanism of the economy. In addition, articulated with Fordist production techniques it enabled improvements in the welfare of the societies. Fordism provided mass production which provided high level of employment in economy and offered low priced products which at the broad level increased the living conditions of the society (Jessop, 1991; Hirsch, 1991).

At the political level the welfare state was complementing Keynesian economic policies. Welfare state practices were aimed to overcome the economic inequalities, which were sharpened during the development of capitalist production techniques. In order to create a 'harmonious society' it provided a broad range of benefits to its citizens. Health, education, social security services were provided on an equal basis meaning that every individual by being a citizen could have access to those services. At the background of this harmonious environment Offe argues that there lies the 'corporatist' (Offe, 1984) structure of the welfare state where an agreement among the three interests groups: workers, state and the capital owners exists. Unions were recognized by the system and they were included within the political process through such a corporatist structure. Thus, Offe argues that the welfare state was the 'peace solution' offered after the Second World War.

The role of the modern corporations within the post-War conditions, in fact, did not differ from the state. Establishing a stabilized economy and reaching a harmonious society is the main desire of the managerialism. Corporations' inclusion within the politics, make them share the functions of the Welfare State and to have a

claim of social responsibility in their actions to serve for the best of the society. Danley's example from the U.S is significant in representing the macro-managerialist assumptions. Danley analyzes the establishment and the functions of an institution called 'Council on Economic Development' (CED) "in the development and dissemination of Managerialism after WWII" (Danley, 1994: 210) which was formed to increase and publicize the social responsibility of corporations.

The board of the CED was composed of vice presidents and chairs of huge corporations of the time such as AT&T, GM, General Electric etc. and of major management scholars (Danley, 1994:210). Since, management establishes itself as a scientific theory of administration with the inclusion of management scholars the statement of the CED became "authoritative and especially reflective, carrying something akin to canonical status"(Danley, 1994: 210). CED published a statement called *Social Responsibilities of Business Corporations* in 1971 and this statement echoed Offe's thoughts on 'corporatist' structure of the post-War states. CED's statement emphasized the social responsibility of the corporations and the need for increasing the relationship 'partnership' between the business and the government (Danley, 1994: 211). "The basic purpose of business, it is alleged, is to serve 'constructively the needs of society-to the satisfaction of society'" (Danley, 1994: 211) not only focussing on profit maximization, but also aiming to generate "substantial economic growth, increasing employment, rising wage and salaries, employee benefit plans and expanding career opportunities" (Danley, 1994: 211). The statement is claimed to be formed as a result of the accumulation of the needs of the society and the economy and interestingly it is stated that "in the language of the CED 'the contract' between the society and business has been written" (Danley, 1994: 212).

However, Danley is still doubtful about the reality and practicability of such a claim since he claims that the business organizations operate on the basis of economic returns and aim of profit maximization of the business enterprises cannot be substituted by another motive (Danley, 1994:). So, the increasing moral tone within the macro-managerial approach then, should either be rhetoric or there might be some other reasons for this event.

For Offe, the basic motive of corporatist structure of the welfare state was "to limit and mitigate class conflict, to balance the asymmetrical power relation of labour and capital, and thus to overcome the condition of disruptive struggle and contradictions that was the most prominent feature of the pre-welfare state, or liberal capitalism"(Offe, 1984:147). The welfare state was functioning to docilize the working class and to provide their loyalty to the system by recognizing the role of the labor and incorporating the unions into the system and by providing economic, health assistance and social securities.

In line with Offe's arguments on welfare state policies, macro-managerialism seems to create a 'harmonious society' where the class contradictions are reconciled. As I have argued in the second chapter the formation of management is more about control than production. In managerialism we see the management's focus shifted from the workplaces to the society at large with the aim of managing the society. This time it is not only the worker to be controlled, manipulated and persuaded to cooperate with management but the citizen should also be integrated into the system. From this perspective, in the coming section in the discussion of neo-managerialism I will attempt to show the rising domination of management over the society. Here we see the increasing emphasis on the management of society according to management's own principles.

Neo-managerialism stresses the economic way of government by emphasizing the issues like efficiency, productivity. On the one hand we see changes in the structure of government and on the other hand a transformation has been taking place within government's relation with the society. Based on the shift to the management rationality, we can ask the questions whether the state is turning into a work organization where the citizens are identified as customers or suppliers only and the possibility of politics and how its effects can be evaluated will be the topics of later discussions.

III.I.III. Neo-Managerialism

The 1980's brought about new changes in modern societies and they came across with complex transformations in economic and technological and as well as on political and cultural spheres. Krishan Kumar (1995:vi.) mentions that

(o)ver the past quarter of a century there have been persistent claims that Western societies have entered a new era of their history. While still being undoubtedly industrial, they have undergone; it is suggested, such far-reaching change that they can no longer be considered under the old names and by means of old theories. Western societies are now in various ways 'post-industrial': 'post-Fordist', 'post-modern', even 'post-historical'

The current transformations have a wide range of effects and discussions take place to cover the whole transition experienced all over the world with respect to the broad issue of globalization. Within the discussion of globalization -whether it is a new epoch, which cuts off the ties with the past and requires new formulations or is just an extension of modernity- the role and the importance of the economical changes cannot be neglected.

Lash and Urry evaluate the changing structure of the capitalism in the contemporary world and point out to the changes in the organization of capitalist production and the state's administrative practices. Those changes are named as the

'disorganized capitalism' referring to the spatial scattering or decentralization of the economic, political and social relations. Their theory, does not declare the end of capitalist system rather they claim that capitalist social relations (Lash and Urry, 1994: 8) continue to exist. In that sense, Lash and Urry even prefer calling this case 'disaggregation' or 'restructuration' of capitalism (Lash and Urry, 1994: 8).

The disorganized capitalism at the political level started to be effective at the beginning of the 1980's with the increasing belief in the failures of the welfare state policies. Being called also as 'New Right' neo-liberal policies represents a return to the values of classical liberalism and conservative philosophy and they started to dominate the governmental arena. According to Neo-liberal policies the state should be limited in its interventions into the market and turned back to its classical role of a 'night watchman' (Dunleavy, 1987: 72-98). The increasing trend starting in the 80's with Thatcherism in England and Reaganism in the U.S. claimed that the problem of welfare states was 'too much' government (Dean, 1999:151) Accordingly, Keynesian policies and welfare state practices are rejected and all the practices, and structures related with the welfare states have been removed. The bureaucratic structures are one of the undesired elements and through policies like privatization, deregulation, downsizing of the institutions they have been tried to be eliminated. In addition, government's functions to serve the society like social services-education, health, insurance- was seen as 'excessive' interventions. The market operations are seen to be superior, efficient and productive. What is interesting is that while the extent of the government is tried to be limited the rationality of the market is desired to be diffused all over the society. Within these conditions managerialism gained an increasing popularity and called as 'Neo-Managerialism' we see the wide extension of it.

Neo-Managerialism as a 'wind of change' can be observed as a vertical movement both at different levels of politics moving from down to top at all levels of governmental structures and all over the world horizontally expanding from the center to the periphery. Reforms can be seen in the form of privatization, outsourcing or restructuring of public institutions etc. within a society and in different parts of the world. Patrick Fitzsimons in his article *Managerialism and Education* points out the current transformations experienced in many industrialized countries such as United Kingdom, Canada, Australia, and New Zealand under the name of 'New Public Management' and he asserts that in many spheres of society there is a "significant shift away from an emphasis on *administration* and *policy* to an emphasis on *management*"(Fitzsimons, 1999:1). Mok, on the other hand, presents the changes at the administration of higher education institutions in Hong Kong. In Turkey like in many other developing countries we have been also familiar with such reforms in governmental sectors such as education and health services. These sectors have been exposed to a private business mentality since 1980's.

Managerialism at first instance seems to be implemented in order to increase the *efficiency* of the operations of the public institutions. Many key governmental sectors have been privatized or transferred to some outsourcing firms in order to make the public institutions' operations like business practices. Currently, "some fashionable terms such as 'excellence', 'increasing competitiveness', 'efficiency', 'accountability', 'devolution'... have been introduced and different strategies such as internal audit, quality assurance, performance pledges, management by objectives, strategic management, linking performance with outputs have been adopted"(Mok, 1999:118) and public administration turns into a practice of public management.

It is believed that an effective government is only possible through the separation of the tasks. Through the delivery of functions to the private sector it is claimed the government's tasks of *policy* making and *service* providing, in other words, the tasks of *planning* and *doing* are separated from each other. This way public administration is desired to be '*rationalized*' as in Taylor's Scientific Management. The underlying belief is that market is the sole efficient mechanism in the production of the goods and services and government has a much limited functioning. As Kniss puts in his article, in the new system "the government sets policy and tries to hold its private agents accountable through legally binding contracts. Or to paraphrase the words of Osborne and Gaebler (1993), governments steer but private organizations efficiently row" (Kniss,1999:497).

Many scholars have considered the far-reaching effects of managerialism. A vast amount of work has been produced to point out to the transformations in key systems that belonged to the state such as education and health. Education and health represent the two key services that were provided by the state. They were aimed to be easily accessed by people and if possible as a public utility served with high quality without having any concern for profit. However, the introduction of managerialism brings about changes in these structures and the relationships within these systems. Mok, in his article on the changes happening in the higher educational system in Hong Kong highlights a common tendency observable in many countries. He notices the "fundamental paradigm shift to the notion of 'economic rationalism' in running educational services" (Mok,1999:117) and claimed that managerialism changes all the relationships, terminologies in the educational sphere. Until 1988 in Hong Kong the state policy was to keep the higher education at an enrolment rate of 3% which was a very elitist attitude. Yet, starting

from 1988 the policy was changed and a target of 14.5% has been aimed till 2000. Mok calls this process as the 'massification' of the higher education system (Mok, 1999: 119) and claims that it changed the core concerns of the educational service from an elitist approach towards a cost conscious, efficiency and effectiveness oriented approach. Such concerns altered the notions of measurement and Mok says "with more importance attached to the 'extrinsic' value of education, people now search for academic profiles and research output instead of how far students and staff have benefited from the educational process" (Mok, 1999: 118). Students are viewed as customers in this new system and among the academicians "'publish or perish syndrome' has emerged" (Mok, 1999: 121). Borrowing from Ritzer's work *McDonaldization of Society* Mok calls the new education policy as 'McDonaldization of Education'. "(R)itzer highlights four principal dimensions at the hearth of 'McDonaldization': namely, efficiency; quantification and calculably; predictability; and the substitution of non-human technology for human technology (or control)" (Mok, 1999: 121). He in his *McDonaldization of Society* evaluates the massification effect of rationality. However, it is the 'instrumental reason', which emphasizes the results and treats all the factors in the process as merely instruments that can be manipulated and controlled in accordance with the desired result. Mok agrees with this claim and points out the effects of McDonaldization on the quality of intellectual works and the quality of higher education. In addition, for Mok, McDonaldization represents the diffusion of the economic rationality into the public services, and more than that, it shows the increasing belief that social, political problems can be converted into 'manageable' problems.

Another justification for the application of management principles in public sphere is its *accountability* function (Kniss, 1999: 494). The increasing distrust to the

public administrators, and the belief on the inefficiency of state bureaucracies led to the rise of managerial practices in these spheres. In managerialism it is assumed that public managers, bureaucrats can be put under control in order to prevent them from acting for their self-interest and in order to make them more responsive to the needs of the citizens. The accountability desire is mostly related with the *control* function of management since it seems that in comparison with the public business sector 'Management' developed more 'efficient' ways in controlling its operations. In the first chapter I showed that managerial control functions over the workers and serves to provide their integration into the system without resistance. At another level, it should be also noted that management includes a *self-control mechanism*, which provides the capital owners having control over the managers' practices. Since they are leading an agency position, representing the interests of the owners-the shareholders- of the firms it is crucial for the capital owners to prevent managers from acting for motives other than the owners' interests. In that sense strict internal and external auditing mechanisms have been applied in management and this way it offers efficient results and accountable subjects in its operations.

So, if we need to review the assumptions and the targets of managerialism in its application, we can say that managerialism as the New Public Management is implemented by the governments to increase the efficiency of the operations of the public institutions. Secondly, it is claimed that accountability of the public managers will increase through the management techniques applied in business sector. Therefore, we see continuously increasing emphasis on the results of the activities in public sector, and those results have been measured against external performance standards with special emphasis on the economic terms. Another reason is the claim of new administration techniques that through reform government institutions can be

more *responsive* to the citizens. I have shown the evolution of the organization theories of management in the first chapter and indicated the shift to flexible and decentralized authority structures. It was also mentioned that these structures reflect the increasing concern for the harmonious work environment and the workers' motivation through their sense of increased participation to the rule of the organization. The same tendency is also observed in the public sector, with the implementation of managerial approach. Downsizing and the reduction of public officers are among the common practices and it is the middle layers of the organization, which is removed in both of the public and private sectors. The defense of this application is that through the elimination of hierarchical layers- especially middle managers- organizations become more flat. So, the decision-taking process will be speeded up, the communication channel between the low levels and the top will be shortened. In due course, the management of these institutions, it is claimed will be more responsive to the needs and demands of the workers, customers in business sector and of citizens in the case of public administration. The changing structures it is argued give way to the shift in the mentality of government, and even some public administration scholars argue to change the term to the notion of 'governance' to denote the more responsive and participatory nature of the new government practice. Another explanation is based on the changing relationship between the state and citizens and make them 'customers' in their relationship with governmental institutions (Reed and Terry, 1999: 265). So, it is claimed as the resources of capital citizens will be given more value by the service providing institutions and the quality of the public sector could be increased. At the end, it seems that the governmental structure has been captured by managerial rationality from many sides. This shift some claimed led us to the

threshold of a new era which can be called as 'managerial state' (Clarke and Newman, 1997) or as Reed and Terry state it is believed currently "that a successful state is a 'well managed' state" (Reed and Terry, 1999:263).

III.I.IV. Managerialism as an Ideology

In this section I will show how managerialism is conceptualized as a total world vision, or called by the defenders as a new ideology. Williard F. Enteman in his work evaluates managerialism as a newly emerged ideology, which responds to the realities of contemporary life. As a product of economic changes in advanced industrialist societies managerialism presents itself as a technically and politically superior practice. Enteman's work is designed to be a descriptive study, which he claims the political process of the industrial societies is directed to. His study on managerialism is based on the increasing dominance of the organizations either in the form of business enterprises, or some forms of associations, public institutions and the extension of their operations in social and political life. His work does not include the 'social responsibility' claims that were presented in the previous discussions on micro-managerial. and macro-managerial assumptions. Rather, it stresses the existence of the struggle between organizations and their interests. Enteman does not state a normative position, so we do not know whether he favors such a political process or not. However, his book represents the extension of the idea of 'managerial society' and he analyzes the reality of a 'managerial politics'. He claims that managerialism is an ideology which is defined by him as the "set of principles upon which the political, economic, and social order of a society is based" (Enteman, 1993: 189).

At the core of Enteman's work there lies the idea that during the most of the twentieth century the political processes have been limited to "a narrow set of forced choices...First, democracy is the only rationally defensible political alternative and, second, there are only two economic alternatives, capitalism and socialism" (Enteman, 1993). He claimed that these ideologies belong to the nineteenth century and therefore, are 'irrelevant for the industrialized world'. He reviewed the need of "a new paradigm that will permit a major enlargement of economics-not one that discards the relationships that economics can often usefully reveal, but one that absorbs them into a much larger and complex system of social cause and effect" (Robert Heilbroner in Enteman, 1993:152). Enteman states that the Kuhnian-type word 'paradigm' is used for natural sciences and for the social sciences a nonscientific term that is 'ideology' should be used. Accordingly, ideology is referring to "a term designed to capture the meaning of more cumbersome phrases such as *political philosophy*, *social principles*, and *economic theories*" (Enteman, 1993:4). According to Enteman (1993: 153)

in advanced industrialized societies, a new ideology has emerged in the last half of the twentieth century. It has emerged out of the actions of practical people who were forced to make decisions, whether or not articulated principles existed to provide a basis for those decisions

This new ideology is called managerialism, which refers to the political rule operating through the organizations.

In comparison to the basic principles of capitalism and socialism Enteman tries to provide the description of managerialism. Capitalism he argues represents the atomic structure, which means the basic social unit, is the individual. The society is assumed to be the aggregation of those individuals, however, it is not conceptualized as a distinct entity having a unity or is in a transcendental position with respect to these individuals. The 'will of all' is the simple sum of the individual

desires and "the actions of the individuals are responsible for the actions of the economy"(Enteman, 1993:33). On the other hand, Enteman relates socialism with organicism where the individual does not have a meaning by itself. On the contrary, the society represents the totality, which is greater and more meaningful than the sole individuals. There is the notion of 'general will of' the whole society and it is known by the rulers of the society. General will is mostly differing from the individuals' own wills and individuals are held responsible to work reaching for it. Managerialism, on the other hand, he claims recognizes both of the two structures and it cannot be defined either with one of them. There is no understanding of an overarching society with a separate entity in managerialism. Individuals are recognized as individual agents with their own interests like in capitalism, however, they are not assumed to be the basic social units. Like in pluralism organizations are claimed to be the basic units, and it is argued that individuals take place within organizations to realize their individual interests. Social, political processes operates through organizations that "can take on organic characteristics which cause people in them to rise their own individualism" (Enteman, 1993: 156). Therefore, managerialism has neither a claim of representing the 'general will' nor the 'will of all'. Rather, it is realized through a negotiation system among the organizations. However, for Enteman, at the end it is not the organizations as the totalities of individuals determining the social political process. He writes "the groups or units themselves do not interact to create a social decision. Rather, the management of those units do the interacting" (Enteman, 1993: 158). So it is the management of the organizations leading the process. Such a thought is not a new argument, as it was shown before; scholars like James Burnham or Alfred J. Chandler have already announced a rise of managerial society. However, the underlying assumption in all

of these scholars' conceptualization was that managers were not acting for their self-interests.

The role of management is understood in two ways in accordance with the conceptualization of an organization's role within a society. Firstly, based on the belief that organizations are like individuals and they attempt to maximize their self-interest managers are claimed to be the servants of this aim. In this context management theories such as the agency theory assumes that managers represent the interest of the stakeholders-stockholders, employers, members, and supporters - of the organizations and therefore, they act only to maximize their-stakeholders'- interests. Additionally, managers are assumed to have technical expertise so they are assumed to be stripped from their own interests and wills. On the other hand, according to managerialism corporates have a moral role towards the society they are operating in. They should sometimes sacrifice short-term interests for a long-term benefit for the society. Thus, managers, as the rulers of such moral organizations have to make ethical choices (Reed and Terry, 1999; Danley, 1994; Terry, 1999). On the other side, however, Enteman's managerialism does not have a clear argument about the ethical action of management. He recognizes the insufficiency of the discussions on ethics and management. Although he agrees with the argument that organizations have a conscience like an individual, he remains silent on how this conscience operates for the benefit of the society if such a benefit can be specified by the rulers. Thus, Enteman states that managers are interest maximizing employees who are "largely uninterested in the overall social consequences of their transactions" (Enteman, 1993: 158) and who work to advance their own goals and objectives at first hand. Such a thought represents a Weberian approach where the competitive struggle of the individuals and organizations are

praised. (Weber, 1994: introduction). The competencies that create a competitive edge over the others both according to Weber and in management discourse are seen as crucial and such competencies prove the superiority of some individuals or organizations over others. When we evaluate the values that neo-liberal practices introduced into the political and social relations we see the effects of the same trend, such as the emphasis on individualistic values, importance of competitive features etc. However, at the same time the superiority of organizations over the individuals and the requirement of total commitment to the organizational goals are stressed both in Enteman and in neo-liberal practices. In fact, it is this contradictory nature which makes managerialism as a tactical power that I will discuss later in chapter five.

Another point made by Enteman is that managerialism does not have a claim of being a democratic process. In comparison with pluralism that also recognizes organizations as the basic political units and claims that everyone within the society can be included within an organization managerialism argues that there is no such 'requirement' to include everyone within an organization. So again, there is no claim to represent every interest within the political system. It offers a practical political system within which the effective operations of the institutions, maximized results and the interests of those organizations are emphasized. Such a conceptualization stresses the factors that contribute the strength of the organizations that compete with each other to gain more political power. Those factors are listed by Enteman as membership size of the organization, its discretionary wealth, the ability of organic behavior, its management, public rhetoric to refer to the ability to influence the masses in legitimizing its operations and gaining support from them (Enteman, 1993:161). In fact, the only moral statement made by Enteman is that "(t)he aspect

of managerialism, which concerns me most, is the loss of the individual" (Enteman, 1993: 161), thus he offers the operation of managerialism in the future with an aggressive form of democracy.

Enteman's concern on the loss of the individual, I think refers to the undemocratic nature of managerialism, which neglects the necessity of recognizing individual interests within the system. In addition, the emphasis on the organizational goals, and their power to influence the political process might be considered. One significant point is that his understanding of managerialism in his work, does not recognize the legality as the basis of legitimization. Rather, it has a focus of creating a public rhetoric meaning the manipulation of the masses that creates legitimation. In that sense, the experienced changes occurring at the governmental level does not only refer to the structural adjustments within the public sector but signifies a transformation in the mentality of government. Enteman calls this as the emergence of a 'new ideology' which means that there is a shift in the conception of the political, economic and social world and the relationship between them.

CONCLUSION

In this chapter I presented the issue of managerialism which can be briefly defined as the extension of management's operations into the public sphere. I showed the historical formation of managerialism and called three periods within this formation: micro-managerialism, macro-managerialism and neo-managerialism. Micro-managerialism referred to the recognition of the society as an arena, which needs to be regulated by the managerial approaches. In this sense, rhetoric of 'social responsibility' appeared within management literature Danley argued that micro-

managerialism is limited in its operations and its realization on a broader context came into being with macro-managerialism after the Second World War. In accordance with Keynesianism and welfare state practices macro-managerialism referred to the desire of 'modifying' the social life in accordance with some rational principles. Reaching a 'harmonious society' was the basic premise and all function to realize this aim. Macro-managerialism in this period reached its power and it had the power of effecting the state. During 1980's we witnessed significant changes at economic, political and cultural levels, major transformations happened in the production techniques, technological and informational arenas. Lash and Urry called this process as the end of the 'organized capitalism' where they refer to the decentralization of economic, political structures and relations. I stated that within this context neo-managerialism emerged in connection with neo-liberal policies where the latter emphasizes the 'market rationality' as the determinant of all political processes. Neo-managerialism refers to the change in the understanding of the state, society and the economy and the relationship between them. I will provide a broader evaluation of such change in the concluding chapter within the discussion of managementality. Within the discourse of neo-managerialism the relationship between the state and the individuals are defined as based on an economic rationality. Here the question becomes whether the state has turned into a workplace or a business organization where the citizens became either the employees or the customers of the state operations. I pointed out Enteman's concern on the 'loss' of the individual and on the possibility of democracy within managerialism. A more extended research can be carried on this issue which is beyond the scope of this thesis. However, it should be noted that the discussions carried out under the name of either neo-managerialism or neo-liberalism refer to the same point. At the end of

the twentieth century there has been a shift in the form of political rule. We see the increasing diffusion of management rationality-or rationalities- into the political processes and into the social body which changes the whole issue of governance. Such rationality operates over the relations of the individuals with the state, with their social environment and even with themselves.

In that sense, I had analyzed management as a practice and a scientific discipline to analyze from a critical perspective. In this analysis the important point is that management is a 'control' mechanism; it operates by controlling both the society at large and the individual in particular. I will claim that this control mechanism does not serve for any group or individuals or an institution. Rather, it operates in an autonomous way and functions for the sake of control more than for any other purposes.

On that account, in the coming chapters I will use Michel Foucault's understanding power, his concepts of 'panopticism' and 'governmentality' to analyze management both as a technology and as a rationality of power.

CHAPTER IV

MANAGING THE INSIDE /MANAGEMENT AS A DISCIPLINE

Although Foucault does not focus on the issue of management of workplaces, his works on the organizations and emphasis on their operations as disciplinary practices will provide the basis of this analysis. In fact, deriving from the analyses of the practice of management I aim to refer to a much broader understanding of management.

In this chapter I will deal with Foucault's notion of disciplinary power which operates over the body of the individuals through organizations, scientific disciplines that have human beings as their object. Foucault foresees the rise of a disciplinary society where individuals are produced by the disciplinary institutions—schools, clinics, asylums, and by the so-called 'scientific' disciplines such as psychiatry and medicine as subjects. Disciplinary power mechanisms are productive they contribute to the maintenance of the system by normalizing the individuals. I argue that the workplaces or business organizations represent such disciplinary institutions where individuals are reproduced as subjects. In addition, I argue that management theories and practices are techniques of a disciplinary form of power. Foucault in his *Discipline and Punish* deals with the transformation of the punishment techniques into disciplinary practices. He shows the shift from the torture of the body to the manipulation and control of the mind by utilizing Bentham's panopticon. Bentham's *Panopticon Writings*, offers the panopticon as the most efficient way of controlling the bodies and minds of the individuals and transforming them into useful citizens. Further, Bentham claims that panopticon is a

universally applicable system to all kind of organizations. In this context, I will argue that Bentham's panopticon is the emblem of 'management' mentality. The basic premises of panopticon and its function of control presents almost an exact match with the notion of management Foucault's panopticism and ideas on the notion of discipline, on the other hand, enables us to understand how discipline is formed and dispersed all over the social body. In this context, the formation of management also should be seen both as a disciplinary practice and a knowledge that produces each individual as subjects and objects of a disciplinary power.

IV.I.FOUCAULT AND DISCIPLINARY SOCIETY

Political theory, Foucault argues, has been centered up until now on the 'sovereign', where that term refers not only to the summit of political society in the form of a monarch or a state but also to the sovereign nature of each individual. For him "we need a political philosophy, that is not focused on the sovereign, in part because the individual is not sovereign over himself in the way political philosophy has argued up until now" (Ransom, 1997: 27). He tries to "cut off the head of the sovereign" in his work *Governmentality*. I will deal with the issue of Governmentality in relation to Foucault's conception of power later in the fifth chapter. However, briefly it refers to a political form of rule which is historically articulated and that is autonomously operating over the whole society and functioning as a knowledge of each individual in depth.

According to Foucault the individual is a historical entity where the social, political and economic forces should be analyzed. He claimed that individuals are produced as subjects by the modern forms of power mechanisms. In addition, those

power mechanisms take shape within the practices of institutions, which seem to operate independent from the state. However, for Foucault those institutions represent the places where power relations become dense and visible. In the practices of those institutions we can see the effects of disciplinary power. These institutions directly operate over the body of the individuals and serve to discipline them. Therefore, he searches for the traces of the disciplinary power in institutional practices like asylums, clinics and within the formation mechanisms of disciplines and expertise like psychiatry, sociology and medicine.

Foucault's work *Discipline and Punish* points out the transition of techniques from the punishment of the mischief to the discipline of the individuals. It should be noted that at the background this transition refers to a transformation of the form of rule. It transformed from the understanding of an external entity embodied within the apparatus of a monarch to an internal functioning of different mechanisms which are multiple and operating at micro and macro levels of social life. The operation of power mechanisms for Foucault is both productive and disciplinary and panopticism in that sense refers to the extension of such disciplinary and productive mechanisms all over the social body through so called politically neutral institutions.

Foucault's analysis on the development of the disciplinary society, is similar to the formation of management. He states that "the formation of a disciplinary society is connected with a number of broad historical processes-economic, juridico-political and, lastly scientific- of which it forms part" (Foucault,1976: 218). As Ransom (1997) says for Foucault the disciplines are the techniques for assuring the ordering of human multiplicities with regards to three criteria. Those three in fact refer to the basic premises of management's operations, which were stated in the first chapter. The first one is to reach the 'lowest possible cost' economically, and the

minimum resistance politically. I called the first criteria as the efficiency consideration of management. Secondly, disciplines aim the maximum effect of the technique with maximum extension possibilities which is the desire of effectiveness. Finally, "to link this 'economic' growth of power with the output of the apparatuses (educational, military, industrial, or medical) within which it is exercised; in short to increase the docility and the utility of all elements of the system"(Foucault, 1979:218). And, management serves for this aim as a control mechanism, which also emphasizes the productivity.

Ransom (1997) says that the three objectives of the discipline, for Foucault, correspond to two historical conjunctures. First is the changing demographic structure of the society as a result of the decline of the feudal system and an increase in the floating population. The second is the increasing complexity of production processes (Ransom, 1997). The development of the disciplines then, enable the knowledge of that production processes and also "the production of knowledge and skills in the school, the production of health in the hospitals, the production of destructive force in the army" (Foucault,1976: 219). Institutions of these disciplines came out as a solution to "reduce the inefficiency of mass phenomena" (Foucault,1976: 219) turning it into a more manageable multiplicity. Then we see that the disciplines have two main targets: production and discipline or control. In this sense I claim that management emerged out of this circumstances as one of the techniques of disciplinary power. In fact, it is not only an establishment for administration within the workplaces. Management is also a political form of rule similar to what Foucault calls as Governmentality I will later argue that management is a mode of governance that aims to discipline the whole society.

Then, juridico-political factor refers to the transformation of power as Foucault points out in *Governmentality*. Foucault says "the process by which the bourgeoisie became in the course of the eighteenth century the politically dominant class was masked by the establishment of an explicit coded and formally egalitarian juridical framework" (Foucault,1976: 222) within a democratic regime where it makes possible "to form the fundamental authority of sovereignty" (Foucault,1976: 222). The disciplines, on the other hand appeared as techniques for serving the stabilization of state authority. They operated as "systems of micro-power that are essentially non-egalitarian and asymmetrical "to "provide at the base a guarantee of the submission of forces and bodies" (Foucault,1976: 222). He argues that

it is not the replacement of a society of sovereignty by a disciplinary society and the subsequent replacement by a society of government; in a reality one has a triangle, sovereignty-discipline-government, which has as its primary target the population and its essential mechanism the apparatuses of security (Foucault, 1991: 102)

Thirdly, in relation to the emergence of disciplinary techniques the introduction of technology and technical expertise entered the field of power. Human sciences operate as disciplinary mechanisms by objectifying and subjectifying the individual. They take the individuals as the object of their analysis and the source of the knowledge. As Burrell (1998) notes "individuals become 'cases' who are measured, described, evaluated, examined and compared. Real lives are converted into written case notes" (Burrell, 1998: 19). With the accumulation and formulation of knowledge social sciences, then, create knowledge and use it over the individuals. Individuals are labeled according to binary opposition's sane/insane, healthy/sick, etc. and become objects of control. Social sciences, moreover, have established 'norms' according to which the 'deviancies' are determined and tried to be normalized. Management functions as a discipline in accordance with the same

principles. The individuals are separated as insiders and outsiders. By 'insiders' I mean the workers, employees or the members of any organization, on the other hand, 'outsiders' refer to the customers, suppliers or in other words 'us'. I have shown management's operations over the workers/insiders who are taken to be anomic and therefore, they need to be rationalized, controlled and manipulated.

"In summary, then, Foucault maintains that despotic character of the disciplinary mode of domination is built into the heart, the essence of contemporary society and affects the body of the individual, of whatever class, at the minutest level" (Burrell, 1998: 21). The disciplinary power operates within every kind of organization where individuals are brought together in order to be managed as a group. While describing the disciplinary mechanism Foucault defines the basic principles of organizing individuals within the disciplinary institutions. He states that the residents are located within an "enclosed, segmented space, observed at every point, in which the slightest movements are supervised, in which all events are recorded, in which an uninterrupted work of writing links the center and periphery" (Foucault, 1976: 197). Bentham's Panopticon becomes the architectural figure of the disciplinary power and the model of disciplinary organizations. Therefore, I will review the essential points of Bentham's panopticon design and the ideas underlying such a structure.

IV.II. BENTHAM'S PANOPTICON

The editor of *Panopticon Writings*, Miran Bozovic says that Bentham was almost obsessed with the design of a prison for about twenty years (Bentham, 1995). He says that although the project has never been realized (Bentham, 1995) it came

into discussion and mostly became popular with Foucault's work *Discipline and Punish* again.

The Panopticon is designed as to be circular structure having at the center the inspector tower (*lodge* in the original text) and at the periphery the cells of the prisoners. Bentham advises to have a space all around, between the center and the circumference in order to provide the most efficient control of the inspector with flexibility and a wide coverage of surveillance (Bentham, 1995:35). Each cell is defined as having two windows one looking towards the lodge and the other located in the outward circumference which enable the full visibility of the prisoner to the inspector. By partitions which are extended a 'few feet beyond the grating into the intermediate area' the cell walls are divided from each other in order to prevent, the prisoners to see or to have any kind of communication with each other located side by side. The tower that is located at the center required to have the ability of viewing all the prisoners so no one of them could be out of the sight.

In the Letter V. Bentham lists the essential points of the Panopticon. The *visibility* of the prisoner and the *invisibility* of the inspector are seen as crucial. He, emphasizes "the *centrality* of the inspector's situation, combined with well-known and most effectual contrivances for *seeing without being seen*"(Bentham,1995: 45). The aim here is that the "persons to be inspected -whether prisoners, workers, or schoolboys- always feel themselves under inspection. Yet, it should not be a total illusion, rather each man should be inspected at an optimum rate to create the feeling on all, to persuade them that they are being watched every time"(Bentham,1995: 45). "Power should be visible and unverifiable" (Foucault,1976: 201) while the tower is standing in front of the eyes of the prisoners and where they cannot know whether they are being watched at a time or not. According to Foucault the visibility

of the prisoners and the invisibility of the inspector are important since it provides the major feature of the Panopticon as 'an automatic functioning mechanism'. It is a machine "independent of the person who exercise it; in short that the inmate should be caught up in a power situation of which they are the bearer of themselves"(Foucault,1976: 197). This statement also refers to an important feature of the disciplinary mechanisms. Foucault's analysis in *Discipline and Punish* shows us that as the disciplinary techniques get complex and established themselves well within the relations, they start to operate from within. It means that the individuals become their own inspectors, controlling themselves according to previously specified rules, norms and so on. So, there will be no need to have panoptic structures and controllers that are external to the subjects. Each individual becomes an agent of disciplinary power.

At the very beginning of the book Bentham states that Panopticon is "applicable to any sort of establishment, in which the persons of any description are to be kept under inspection"(Bentham, 1995: 29) like prisons, houses of industry, workhouses, poorhouses, manufactories, mad-houses, lazarettos, hospitals and schools. When there is a need of the inspection of a group of people within a given time and space panopticon would prove to be the most efficient mechanism. This simple but multi-purpose feature is praised by Bentham as the superiority of the design. The main concern for creating the panopticon is to maximize the efficiency. The system aims to have control over the prisoners in the most efficient way. The number of the controllers are planned to be minimum, if possible none-with the non-existence of the inspector at the tower-. By providing the invisibility of the existence or non-existence of the inspector the effects of the control is increased. In this respect Foucault argues that panopticon represents the perfect exercise of power. "It

does this in several ways: because it can reduce the number, who exercises it while, increasing the number of those on whom it is exercised. Because it is possible to intervene at any moment"(Foucault,1976: 206) even in reality such intervention is not done. The created effect over the prisoners is worked instead. It is the "power of mind over mind" (Foucault,1976: 206). This statement is very important since, in fact, it is possible to understand the whole notion of power. *Discipline and Punish* shows us how the right of the sovereign over the body of the individual turned in history into the unverifiable network of relations that aim to discipline individuals' bodies through controlling their minds. It refers to the mentality of governing ("governmentality") in modern societies.

Concerning the issue of management in the context of 'power of mind over mind' reminds remember Taylor's theory of scientific management. As I stated earlier Taylor was claiming that scientific management means a 'mental' revolution in the workplaces where the workers are persuaded to commit to the 'management' of the organizations. In fact, his theory has many similarities with what Bentham offers as the advantages of panopticon. Both of the theories emphasize the notions of efficiency, productivity in the operations of organizations and the control of the rulers-managers, inspectors etc.- over minds of the ruled such as the workers, the prisoners etc.. In fact, it can be claimed that both serve for the same end that is disciplining the ruled through the most efficient ways.

Bentham's Panopticon was designed for the prisons, in order to reform the punishment system. It does not aim to punish the individuals who are committed crime. As a utilitarian he claims that "all punishment is mischief" and it "destroys some of the punished individual's happiness, and thus the overall happiness of the community" (Bentham,1995: 3) like what the crime did previously. Yet if it should

be applied then the main concern ought to be "achieving the greatest apparent suffering with the least real suffering, that is achieving the greatest effect of the punishment on others with the least inflicted pain"(Bentham,1995: 3). Thus, Bentham's panopticon prevents the punishment rather, it aims to transform the individuals who committed crime into useful citizens.

Bentham's philosopher and jurist identities reveal themselves in the work of Panopticon. It is also obvious that his other feature of being a political economist, as a utilitarian has a major effect in his writings. We see the continuous utilization of the word of efficiency throughout the text in almost all processes and relations within Panopticon. In Letter IX. he proposes the use of the prisons as workplaces where the management of it is advised to be left to an outside contractor. The contractor "must pay something for his contract, or to be contended with a *share* of the gross profits not the whole" (Bentham,1995: 52). All power regarding to the management of the work is left to the contractor where his work is also kept under strict surveillance and open to public by several publications of the records. The choice of the work is left to a superior committee, that would know how-to-do, and for the best of the whole economy. Within these conditions each prisoner supposed to work in his cell according to his abilities, and the sum he derived out that work would be returned to him in case of good behavior. Bentham argues that through this the decreasing utility effects of the punishment of the individuals would be recovered by the usage of them as labor and it becomes also possible to make them productive and 'useful individuals.' So, panopticon might refer to the transformation of the prisons into workplaces where "(m)orals reformed-health preserved-industry invigorated-instruction diffuses- public burthens lightened-Economy seated, as it were, upon a rock- the gordian knot of the Poor-Laws are not cut, but untied-all by a

simple idea in Architecture!" (Bentham, 1995: 31). Thus, panopticon, emphasizes three notions work, productivity and efficiency which at the end serve for the discipline and transformation of the individuals.

I showed that the modern punitive system is more about to control and reproduction of the individual than on the punishment of the crime. Then, now I will search for the validity of the same claim for work organizations. Norman Jackson and Pipa Carter (1998) in their study named as *Labour as Dressage* apply a Foucauldian approach in the analysis of the notion of labour. They say that Foucault identifies three functions of labour: the productive, the symbolic and dressage" (Jackson and Carter, 1998: 49) and they "argue that labour as dressage is a function of governmentality, that it is management not for economic or productive purposes, but for 'reasons of state', the reasons of governors, which require in the governed docility, obedience, discipline and self-control" (Jackson and Carter, 1998: 49).

According to Jackson and Carter, the word dressage means both "discipline and taming" (Jackson and Carter, 1998: 54) where the word taming is defined as "the equestrian: the training of a horse in deportment and response to controls, its mastering" (Jackson and Carter, 1998: 54). Then, they argue that what Foucault has in mind in his usage of the word of 'dressage' "is the work for the sake of work which is "non-productive, non-utilitarian and unnatural" (Jackson and Carter, 1998: 54) and done to realize the display of obedience. So, they emphasize the disciplinary side of the labor and the practice of management. Accordingly management is more about to control than to produce and work is more for control purposes than for production purposes. The usage of futile tasks as work in many institutions like prisons, military and even in business organizations, for them "are not only the most

overt cases of the evidence that work does not have only a productive function. Work is not only a means to an end, but also an end itself" (Jackson and Carter, 1998: 58). In that sense, management becomes both the practice and knowledge of creating obedient bodies. In the next section, I will present another argument. I will attempt to show how the disciplinary practices operate not only inside over the prisoners, workers, and patient's etc. but also they are focused of controlling the outside. So, they are designed and intended to operate all over the social body.

IV.III. MANAGING THE INSIDE AND OUTSIDE

In this part I will show that Bentham's panopticon has another function that is the controlling the outside by the created effects of its operations inside. Bozovic (1995) states that Bentham as a philosopher was concerned with two concepts: reality and fictions. Fictions are unreal entities; they do not exist. However, they have effects on reality so their effects exist. They are effective either *despite the fact they do not exist*, or *because of the fact they do not exist*. For Bozovic the Panopticon is a fiction operating on the basis of its 'imaginary non-entity' (Bentham, 1995: 2) character and because of its non-existence it provides the greatest effect in reality.

This fictitious character operates in two directions: the first is directed towards the prisoners and the second is aiming the outsiders, the innocent ones. Bentham makes a distinction between *the apparent omnipresence* and *real presence of the inspector* within the functioning of the Panopticon. The real effect is aimed to

* Jackson & Carter for the usage of dressage give reference to Foucault's work 'On Power' in Kritzman. *Michel Foucault*, 1984.

be reached through the apparent omnipresence meaning that the prisoners should conceive themselves as being continuously watched. He (Bentham, 1995: 9) says

The moment where the inspector allows himself to be seen anywhere in the Panopticon he loses his omnipresence in the eyes of those who see him: those who see him, can, of course, tell whether his eyes are directed towards them; those who see him can see that they are not being seen

Here, "then, appearance *precludes* reality" (Bentham, 1995: 9).and therefore, it is the invisibility, the apparent omnipresence of the inspector, which makes the effect real over the prisoners.

The case for the outsiders is more interesting because we see how fictions are utilized effectively. I showed that Bentham thinks that punishment is a mischief and it should be avoided as much as possible. Thus, "in Bentham's eyes, the punishment is less intended for the punished, i.e. the guilty person, than it is for every one else, i.e. the innocent" (Bentham, 1995: 4). The main aim of punishment is in fact is to persuade the others from committing any further crimes.

For example, he offers to use masks over the prisoners to increase the effects of the prison on the visitors. I claim that the aim is to make the guilty anonymous, making to loose his identity as himself. Rather the desire is to create a fiction to make the innocent imagining himself in prisoner's position, understanding what any further impairment would result in. In order to decrease the possibility of punishment and the effect of the Panopticon over the outsiders Bentham even offers that a "building could be constructed resembling the panopticon from the outside; occasional screams, not of prisoners, but of people hired specifically for that purpose, could be heard from within" (Bentham, 1995: 7).

Again, we can derive some important points from his thoughts about the "two means of preventing harmful actions. The first is to forbid them outright and threaten violators with punishment. Bentham calls this 'direct legislation'. 'Indirect

legislation', on the other hand, 'has recourse to oblique methods'. Secondly one the legislator "does not make known his plans. He lays mines, sets spies to work, seeks to frustrate the designs of the enemy and to secure an alliance with those who might otherwise have harboured hostile intentions" (Ransom, 1997: 29).

Therefore, Bentham does not offer the panopticon to punish the mischief acts. Rather its main objective is to create the effect, which would prevent further crimes and the reduction of the overall happiness of the society. These conceptualizations are well suited to the definition and the aims of the disciplinary power provided by Foucault above. Panopticon as a product of indirect legislation is also helps in the growth of economy where prisoners are put into work by producing efficiently in their cells and internalizing the discipline by means of material rewards (the payment of their wages in case of good behavior).

Foucault, in the same manner, states that the disciplinary practices are not only limited and closed within the organizations. As the discussions on his notion of power in the fourth chapter will signify according to him they are everywhere. He (Foucault, 1976: 217) says that

Our society is nor one of spectacle, but of surveillance; under the surface of images, one invests bodies in depth, behind the great abstraction of exchange, there continues the meticulous, concrete training of useful forces; the circuits of communication are the supports of an accumulation and a centralization of knowledge; the play of signs the defines the anchorages of power; it is not the totality of the individuality is amputated, repressed, altered by our social order, it is rather the individual is carefully fabricated in it, according to a whole technique of forces and bodies

In this context my evaluation of management as a disciplinary practice may present similar results. The formation process of management theory and practice shows its establishment of as a disciplinary form of power. The shift from the coercive instruments implied over the workers to the manipulative strategies, which are called by Bentham as indirect legislation is significant. In line with Foucault's

term 'disciplinary -not disciplined- society', management refers to a form of disciplinary power that is in progress.

At the end of the first chapter I presented Peter Drucker's views on the future of management. Drucker, argued that management should direct its attention to the outside. He stated that management should focus on its operations over the customers, over politics, shortly every factor that are claimed to be outside the business organizations. The second chapter showed the realization of the managerial society where management extended its operations over the society. In this respect, Drucker's new paradigm of management comes to real where it is aimed to make the outside the inside. In other words, it means to manage the social world through all its institutions.

CONCLUSION

In this chapter my aim was to analyze management as a 'discipline'. I used Foucault's concepts of disciplinary power and panopticism. The disciplinary power, Foucault argues, can be found within every kind of organization and in every type of relation. It controls subjects through organizing them within spaces -located either inside or outside- and implying techniques to control, manipulate and transform them into useful subjects. Bentham's panopticon constituted the backbone of Foucault's theory of discipline and his notion of panopticism. It represents the continuous and automatic functioning of disciplinary power. I showed that Bentham's Panopticon was designed not only for purposes of punishment but also it was presented as an efficient plan of administration for every kind of institution in which the transformation of the individuals into useful, productive subjects is desired. In addition, I pointed out that panopticon does not only target the insiders of

the organizations as subjects of operations. On the contrary, it was originally planned to realize its real effect over the outsiders. So, it is not possible to draw a line between those who are inside and those who are outside as far as the effects of the panopticon are concerned. In this respect I argue that we can think of management in the same manner. Management refers to the structure and the system which Bentham's panopticon represents: that is universally applicable, efficient, productive way of administrating the multiplicities. It is offered as the knowledge and technique for ruling the organization of the individuals. I referred to Jackson and Carter in order to show the disciplinary nature of the work and argued that as Bentham's Panopticon is more about control than on punishment. Similarly management is more about on control than on production. Work, both in the panoptic system and in management system is used to discipline the individuals to make them efficient, productive and docilized subjects. Also both aim to produce their effects on the outside to extend their operations. Therefore, one can argue that management as a science and as a practice represents the features of the panoptic system, which increases its effects by expanding its operations all over the society.

In this manner to evaluate management's far-reaching effects in the coming chapter I will introduce Foucault's notion, of governmentality or the political rationality which enables one to rule a society at large and also in depth. Governmentality will show us the autonomous operation of the political power and its dissociation from any institution or any person. Governmentality refers to a 'mentality' of rule, the totality of knowledge and the practice of administering the body of the individual and the body of the society. It has an economic focus, it aims to rule its subjects economically, that is productive and efficient. It produces subjects who are relevant only in terms of their contribution to the system. On that

account, I will argue that management can be evaluated within the framework of governmentality. One can argue that management represents the mentality of the modern societies and it is the form of rule that modern individual is produced by.

CHAPTER V

FROM MANAGERIALISM TO GOVERNMENTALITY

In this chapter I will deal with Foucault's notion of governmentality and offer to think the contemporary changes within this framework. Governmentality can be defined briefly as the knowledge and the practice of ruling which has its roots in the seventeenth century and which operates over the society as a disciplinary and productive power. In that respect I will firstly, present the basic features of Foucault's conception of power in order to show secondly, how the notion of governmentality came into being. Governmentality is a power technique that is separated from the state apparatus and the concept of sovereignty and it represents a political rationality that manages the society in depth. Foucault's governmentality has two basic notions: Reason of State and Pastoral Power, which together combine the modern form of a political rationality. The Reason of State refers to the changing knowledge of government since the eighteenth century where ruling turns into a technical knowledge. On the other hand, pastoral power is related to an ancient practice that has a feature of expertise of ruling and which requires the knowledge of the ruled in depth. The presentation of governmentality is meaningful when we think the discourses on managerialism. In the contemporary societies where 'the form of political rule changes its apparatus, and where the entities and relations of them are redefined according management principles, Foucault's governmentality enables us to understand the present and how modern individuals are ruled.

In the previous chapter I argued to conceptualize management as the disciplinary technique of the modern form of power that operates over the body of

the individuals. In the chapter on managerialism I showed the expansion of management's operations into the social and political sphere . I pointed out the changing nature of the politics and transformations in the form of political rule. The changes I claim can be defined as the managementalization of government, which means that the governance turns into a knowledge, and practice that is based on management principles. Based on such an argument and the analysis of governmentality, in the next chapter I will search for the possibility of an argument, which claims that in modern societies modern individuals are ruled by 'managementality'.

V.I. FOUCAULT: POWER AND GOVERNMENTALITY

Paul Rabinow, in the introduction of his work *'The Foucault Reader'* refers to a TV discussion, which was between Michel Foucault and Noam Chomsky in order to point out the distinctive features of Foucault's theory. He mentions the answers given to the question of the role of politics in both of the thinkers' works. The belief that Chomsky represents the claims of management that there can be an ideal form of political rule according to which the social and political organization of the society would be realized and through which a "just society in which creativity and reason would reign" (Rabinow, 1984: 5). Science is praised by such an idea and Chomsky claims that scientific reason should form the basis of an ideal political rule. Rabinow's quotation from Chomsky, in that sense, is interesting. Accordingly, "(g)iven modern technology and science, Chomsky argues, the means are currently available to overcome the alienation and the drudgery of labour. If this has not been

accomplished, the fault lies not in science but in the social and political organization of our society" (Rabinow, 1984: 5).

I have shown how management presents itself and how it is perceived by many as the scientific way of administration. Deriving from Chomsky's ideas one may argue that practices like management would raise the rational organization of life in order to reach a harmonious social environment. In that sense, the extension of management as a form of political rule could be celebrated by this thought and its representatives.

However, from a Foucauldian perspective it is not possible to argue an ideal form of political rule or to believe in a model according to scientific or rational principles. At this point it is better to go back to Rabinow and his comment on Foucault's theory. Rabinow says

(i)n the West we have constantly approached the problem of political order by building models of the just social order or searching general principles by which to evaluate existing conditions. But Foucault claims, it is exactly, this emphasis, this 'will to knowledge', that has left us almost totally in the dark about the concrete functioning of power in modern societies. Our task is to cast aside these utopian schemes, the search for first principles, and to ask instead how power actually operates in our society. (Rabinow, 1984: 6)

His quotation from Foucault is meaningful in that sense. Rabinow states that according to Foucault

the real political task in a society such as ours is to criticize the *working of institutions which appear to be both neutral and independent* (emphasis mine); to criticize them in such a manner that the political violence which has always exercised itself obscurely through them will be unmasked, so that one can fight them (Rabinow, 1984: 6):

Following the above statement, then, analyzing institutions and disciplines like management as the instrument of a rational progress or the product of a scientific reason would be misleading. Also, for example, evaluating management as a politically neutral practice and an institution or as a technically superior way of

public administration would contribute to the masking of the political contents of its operations. Rather it is necessary to understand how management operates and how it produces effects over the lives of the individuals.

Foucault states that his study concerns *how* modern individuals are produced by the modern techniques of power. He explores that his works can be presented as dealing with three modes of objectification, which transform human beings into subjects.

First a historical ontology of ourselves in relation to truth through which we constitute ourselves as subjects of knowledge; second, a historical ontology of ourselves in relation to a field of power through which we constitute ourselves as subjects acting on others; third, a historical ontology of ourselves in relation to ethics through which we constitute ourselves as moral agents (Owen, 1984: 152)

Based on this explanation, then, we can make a classification within Foucault's works and divide them into three periods. His focus in a historical manner respectively becomes the historicity of knowledge, power and finally ethics. However, such a conceptualization does not refer to certain distinctions between his works or the notions considered within them. Rather, they all complement the operation of a political rationality that produces 'subjects'. His archeological method referring to his early studies "attempts to uncover the positive unconscious of knowledge; that is the rules which govern what statements fall within the domain of being for the Greeks as true or false" (Owen, 1984: 219). His works like *The Birth of the Clinic*, *Archeology of Knowledge*, *Madness and Civilization* deals with psychiatry, medicine and human sciences in order to show the discursive nature of the so-called 'human sciences'. According to him, human sciences fail to be sciences in their attempt to reveal the true knowledge. Having 'human' as the subject and object of their analyses those sciences within the historical conditions construct and reproduced them by creating knowledge about human beings and using it over them.

They produce dividing practices as true/false, sane/insane, healthy/sick and categorize the notions and the individuals according to such binary oppositions. In addition they create norms according to which regulation take place. Thus, Foucault calls them as 'disciplines' instead of sciences.

The focus of this thesis was on his second group of works where Foucault considers the issue of 'power'. Power operates, for him, in the process of "objectivizing of the subject in 'dividing' practices" (Foucault: 1980b, 208) that divides him/her within and from the others. His works *Discipline and Punish*, *History of Sexuality vol.1* and his essay *Governmentality* reveal how the modern form of power operates on the body of the individual and over the whole population. He applies the 'genealogical' method in this works. He tried to show history differently from classical history by emphasizing the focus on the 'present', surface practices, specific locations to catch the operations of micro politics. Foucault aims to show the 'dangers' of these power forms since he claims that the individuals are lost within modern society and they are reproduced as subjects through disciplinary and productive mechanisms (Akay, 1995).

The third period refers to the consideration of ethics in terms of the relationship or the moral conduct of oneself with him/herself. Foucault has especially "chosen the domain of sexuality- how men have learned to recognize themselves as subjects of 'sexuality'" (Foucault, 1980b: 208) and the second and the third volumes of *History of Sexuality* is devoted to this issue.

Now, we can move to the presentation of a broader analysis of power in Michel Foucault's works. His conception of power shows that power is a relational thing that is historically constructed. It operates everywhere within every kind of

institutions, within every kind of relations and for the sake of itself and produces modern, obedient bodies.

V.I.I. Power: Dispossessed, Productive and Disciplinary

Foucault's genealogical methodology points out looking at the surface practices or the 'body' and tracing the descents of the events in order to show the discursive formations of the notions and conducts in the form of values, disciplines and institutions.. Moreover, it should also be noted that each event is coming out from the force struggles that are continuous.

Foucault's general theme of search is the subject and he aims to evaluate the construction of it through historical analysis. The formation of the human sciences and the creation of the knowledge and subject as the object of knowledge are evaluated critically by him in the archeological studies. According to Foucault "what made the human sciences possible is not an advance of rationality into the domain of human behavior but the emergence of new forms and disciplinary techniques for the control of bodies" (Hilley, 1984: 193). For him, 'the question of subjection and the political struggles associated with 'identities' constitute the most important issues of our time. Political practice, therefore, cannot be separated from the fundamental question of 'being' or 'subjectivity'" (Foucault,1980b: 210).

Foucault, directs the focus of political analysis to the political relations that are neither reducible to the relations of production nor equivalent to the apparatus of the state. According to him, we must be aware of (the danger of) new mechanisms of power which aims the administration of the lives. Unlike Weber and other critical theorists of modernity Foucault claims that there is not a form of Power or Knowledge or rationality that wrap up tightly the individual and puts him/her into an

iron cage. For him, rather there are multiple forms of power and they are heterogeneous. (McHoul and Grace: 1995). Again stemming from the genealogical thought of a descent and emergence he argues that "many different forms of power exist: legal, administrative, economic, military and so on...what they have in common is a shared reliance on certain techniques or methods of application" (McHoul and Grace, 1995). The genealogical studies carried out in the works *History of Sexuality, Discipline and Punish* and *Governmentality* are in that sense aim to trace the roots of such commonalities. Although Foucault avoids grand theories and from having a claim of a universal methodology his works cannot be put very distinct from each other (Tekelioğlu, 1999). Based on his conceptualization of power, actually, it is possible to articulate the results of his political theory under several headings. Cem Deveci (1999) states that it is not possible to offer a grand theory of Foucault. However, he claims that some hypotheses can be made deriving from his thoughts:

Deveci says that it is important to recognize that in his power analysis Foucault's methodology is 'nominalist', which rejects the understanding of power as a substance. Foucault says that "one needs to be nominalistic, no doubt; power is not an institution and not a structure; neither is it a certain strength that we endowed with; it is the name that one attributes to a complex strategic situation in a particular society" (Foucault,1980a:93). Then, asking the question of 'what is power?' and trying to locate power within an apparatus power become useless. The important thing to recognize here is that power is a 'relational thing', and it is located within every relation.

The second argument is also related to the first point and it is an important novelty in the understanding of power. It enables us to look for power in many

practices, events and institutions. For Foucault "power is not something that is acquired, seized or shared something that one holds on to or allows to slip away; power is exercised from innumerable points, in the interplay of non-egalitarian and 'mobile' relations"(Foucault,1980a: 94). He takes away the notion of power from a center -that is usually considered as state, and class -and dilutes it all over the social body. Power dissolves, becomes multiple and a 'fluent' thing that is located within relations. It cannot be possessed by someone, a class so it has no actor. The thought of power relations refers to the idea of an 'arena' where force struggles take place in a continuous manner and where power -or the multiple forms of power- 'emerges' from these struggles. One important result of this assumption is that it becomes apparent that power has no 'rationality' which is unique, universal and strategic*. Rather, it operates in a tactical manner.

Thirdly, Deveci points out the co-existence of power and knowledge in Foucault's theory at a specific time and at a given place. Unlike the liberal and Marxist understanding that presupposes a separation of the two in order to exist in a true manner Foucault argues that there exist a mutual relationship between power and knowledge. Power creates knowledge, the object and the subject of it which in turn serve for the reproduction of power's existence and enable its operations.

Another important point in Foucault's methodology is shown as the immanence of resistance within power. Foucault states "where there is power there

* My usage of the word 'strategy' refers to the actions that are the results of long-term decisions and which were planned previously. Foucault uses the word in his texts several times interchangeably with the word tactic. Deveci and Tekelioğlu too use the word strategic to define power's operating principle. However, based on Foucault's own definition of power, I claim that the operation of power rationality is characterized by tactics. 'Tactics' are instant decisions, and the following actions taken in urgent events like in a crisis. It is defined as the "expedient for achieving a goal; a maneuver" in Webster's Dictionary Tactical actions are belonging to operational level, and they do not have a long-term vision and capability to operate. In addition the word is "characterized by adroitness, ingenuity, or skill which I think what Foucault refers to the type of knowledge that is related with the notion of governmentality.

is resistance, and yet, rather consequently, this resistance is never in a position of exteriority of power" (Foucault, 1980a:95). The relational nature of power requires the existence of its opposites in order to be challenged, to be active and productive. There is no possibility of an absolute power over something since by operating as a constraint over something it also enables an operational area, a freedom within the limits and therefore, enables the resistance. That resistance, however, serves for the continuity of power by providing it to transform itself.

Finally, in Foucault's theory power is everywhere and it is not located within a hierarchical, limited structure. It does not operate from top to down, on the contrary from below to top. However, here I think one should note that that this argument does not refer to the existence of a 'direction' of power. The usage of the word 'below' does not refer to a hierarchical structure. On the contrary, it refers to the micro and macro level of operations of power. In Foucault's usage power represents a decentralized, flattened structure; rather than being in a hierarchy it is located within a matrix. What we observe in a matrix is the existence of multiple (even infinite) number of nodes with multiple (even infinite) number of links among each other. So, the operating of power can be analyzed from this perspective in each node (emergence) and within every link and within the whole structure (descent). These two levels can also be labeled as micro and macro level operations of power and it is the micro level where 'emergences' occur and that enables the articulation of power relations at the macro level. Deriving from this thought when Foucault analyzes our present he argues that we can identify a 'modern form of power' that is operating (a) on the physical body of the individual as a biological organism and (b) over the population as a living species.

At the micro level, the individual's body is viewed as something that can be utilized, normalized and corrected or in other words re-produced effectively. That is productive and disciplinary in its nature. I presented a brief review of Foucault's thoughts on the disciplinary power. In the next section of this chapter I will deal with the functioning of power at the macro level that is over the society. Foucault talks about a 'political rationality' which emerged in the sixteenth century and which is aiming to 'manage' the society and every aspect of life. He names this rationality as 'governmentality', the art of ruling a society in depth.

V.I.II. Governmentality: Managing The Inside And Outside

Foucault in *The Political Technology of Individuals* referring to his works on the disciplinary practices and institutions says that

I have tried to show how we have indirectly constituted ourselves through the exclusion of some others: criminals, mad people and so on. And now my present work deals with the question: how did we directly constitute our identity through some ethical techniques of the self which developed through antiquity down to now?...There now is another field of questions that I would like to study: the way by which, through some political technology of individuals we have been led to recognize ourselves as a society, as a part of a social entity, as a part of a nation or a of a state. (Foucault, 1988:146)

That political technology to which the modern society is subjected is called as 'Governmentality' by Foucault. Governmentality, he argues has two basic notions, which belong to the pre-modern societies. He claimed that we are subjected to a political rationality that not only rules but produces us and it includes two distinct concepts: 'pastoral power' and the 'Reason of State', that is *raison d'état*. In my opinion, from a genealogical perspective the existence of pastoral power within modern form of governmentality signifies the 'Descent' (*Herkunft*) in Foucault's explanation of the word *Ursprung*. *Herkunft* or 'Descent' in English shows an "affiliation to a group sustained by the bonds of blood, tradition or social class"

(Rabinow,1984: 80-81) and it refers to the link between the past and the present in terms of acquisition. On the other hand, the word *raison d'état* signifies a new 'Emergence'(*Entstehung*) in the history of political rule. *Entstehung* Foucault says "designates the moment of arising" (Rabinow,1984:83) and "a place of confrontation, but not as a closed field, offering the spectacle of struggle among equals" (Rabinow,1984: 84).

Pastoral power originated in Christianity and its desire was to assure the salvation of the individual in the other world (Foucault, 1991; Foucault, 1980b). It refers to a kind of relationship between the ruler and the ruled and this relationship is explained by an analogy where the shepherd is claimed to be leading his flock. Pastoral power is a both totalizing and an individualizing form of rule. The members of the flock are seen as equal among the others and they are treated the same. At the same time they are ruled in an individual and separate manner. It requires the shepherd to have knowledge about each individual separately since it cannot be exercised "without knowing the inside of people's mind, without exploring their souls' to direct them in a proper way. Finally, it necessitates as opposed to the royal power the sacrifice of itself 'for the life and salvation of flock'" (Foucault, 1980b: 214). The pastor or the shepherd Allen argues is a profession and his knowledge refers to a 'special knowledge' (Allen, 1988: 181). With regard to that knowledge the pastor defines its 'subject' and operates its knowledge and power over it. Allen also argues that the pastor represents the prototypes of the 'helping professions' of the modern welfare state. That special or 'expertise' knowledge is "generalized, secularized, despiritualized...became portable, universal, a technique of political government" (Allen, 1988: 181-182).

Then, in the modern state pastoral power takes a new form where the individual's salvation is aimed in this world. Salvation, in that sense refers to the well being of the person in terms of its health, and security, protection against accidents. And its realization is assumed to be possible through politics. Secondly, governmentality within the consideration of modern pastoral power is linked with a special type of knowledge that is 'expert knowledge'. In the modern society pastoral power is decentralized and multiplied and the individual is subjected to multiple forms of pastors/experts -teacher-expert, doctor-expert etc.- and under the control of these experts he/she is lead not to salvation but is subjected to normalization (Dean, 1999: 76). Finally, the subject that was the flock of the ancient pastoral power became the society in the modern form of governmentality. Society is conceptualized as composed from free individuals which should be ruled separately, and known individually

In our analysis the emergence of the *raison d'état* is important. I will claim that it points the transformation of the rationality of government and its incorporation by management.

The 'Reason of State', refers to the 'special knowledge' or the 'art' of governing the state. In its historical context the emergence of the 'Reason of State' refers to the sixteenth and early seventeenth century. According to Foucault government became a problematic for the political theorists of that century and they looked for a new definition of it. The classical age's understanding of the 'Rule' was pointing the 'Prince' as the sole ruler over his territory. The prince, as in Machiavelli, was defined in its relationship with the state. He was claimed to have the 'Virtue' and therefore, has the 'Right' of ruling derived from the God. Ruling was conceptualized as over the territory, and it did not consider the people something, which should be

considered separately. Since the state was defined as the Prince's property Machiavelli was presenting the act of 'government' as 'strategically' defending the territory both against the external and internal threats (Foucault, 1991).

However, Foucault claims that this conception of government is not referring to the Reason of State. He argues that the political theorists of the sixteenth century desired to provide another "conception of political government significantly different from Machiavelli" (Allen, 1998: 184). Their aim Foucault claims "to articulate a rationality which was intrinsic to the art of government without subordinating it to the problematic of the prince and of his relationship to the principality of which he is lord and master" (Foucault, 1991: 89). That is, in other words an autonomous form of knowledge of governing which is stripped from the apparatus of the sovereign and goes beyond the claim of deriving it from a transcendental source. That knowledge is claimed to be technical in this nature and called as the 'art' of ruling.

One more feature of the 'art' of governing is that it is formed through the articulation of different forms of ruling within it. Accordingly, the art of government includes the art of self-government (morality), the art of governing a family (economy) and a 'science' of ruling the state (politics) (Foucault, 1979). There is an upward and downward direction within these forms meaning that any ruler governing himself could govern the household and the state. A family head, on the other hand, who is governed correctly by the ruler could govern his family and himself according to that 'correct' manner. Foucault states that "(t)he prince's pedagogical formation ensures the upwards continuity of the forms of government, and police the downwards one. The central term of this continuity is the government of the family, termed *economy*" (Foucault, 1991: 92). What makes governmentality

as an art of ruling is the "introduction of economy into political practice" (Foucault, 1991: 92). Good government is conceptualized as economic government that is the wise ruling of the population like a father's rule of his family. In addition the practices of government should be efficient and effective. Foucault signifies in *Discipline and Punish* that in the transition from the punishment to the disciplinary practices there was the massive effect of the desire of the state's to have maximum effect of control over the society with minimum resources.

In addition Foucault signifies the second feature of government that it is defined as "the right disposition of things, arranged so as to lead a convenient end" (Foucault, 1991: 93). This refers to the government of men in every aspects, to have control over their life, relations etc. Population is recognized as the 'object' of an analysis, the source of knowledge in ruling activity and also the subject of the application of this ruling. In the formation of a political science "the population now represents more the end of government than the power of the sovereign; the population is the subject of needs, aspirations, but it is also the object in the hands of the government" (Foucault, 1991: 100).

Thus, the 'Reason of State' changed three factors in the understanding of government. First, it changed the conception of the ruler and his relationship with the state. Secondly, the nature of the knowledge of 'ruling' changed and it gained a nature of 'science'. Third, the 'Reason of State' introduced the notion of population, which is defined in a 'versus' type of relationship with the state.

Allen states that the theory of 'art of ruling' brought about a significant change in the conception of political government. Machiavelli was searching to reinforce the power of the prince. He says that "the aim of this new art of governing is precisely not to reinforce the power of the prince. Its aim is to reinforce the State

itself" (Foucault, 1980b: 150). This means that the State is something to be preserved, which should be continuous and stable. Allen argues that the originality of the Reason of State is that it puts a distance between the ruler and the state (Allen,1998. 186). In this respect, within the idea of 'art of government' the knowledge of governing is stripped from the body of a 'sovereign' and from the apparatus of state that is understood as an institution in daily life.. Rather, in governmentality the knowledge of ruling gains an autonomous nature both as a practice and knowledge and makes the ruler dependent to itself. The ruler becomes the 'part of the state' where he is holding his office temporarily. He has the power of ruling not because of his virtuous personality but because of the 'rule' itself. The ruler should have the necessary skills to follow the knowledge of ruling and he is responsible to imply that rule in order to stabilize the State and provide its continuity.

Secondly, the type of the knowledge has changed. So called 'art' of ruling, refers to a technical knowledge about government. It is the science of government that can be learned by the ruler and this technical knowledge is articulated through specific techniques like statistics. Since 'government' is thought as related with 'economics' the rule becomes a technical and a practical problem to reach a desired end. That end is claimed by Foucault as to be a complex combination of multiple ends. Therefore, he argues ruling becomes the implementation of multiple forms of tactics to reach an optimum result. In this respect government is defined as "disposing of things; that is to say, of employing tactics rather than laws, and even of using laws, and even of using laws themselves as tactics" (Foucault,1991: 95).

Thirdly, with the development of Reason of State the population was recognized as a living entity and it becomes the object of rule. Foucault mentions the

changing conception of the family within the 'art' of governing. While once it was claimed to be the model of good ruling Reason of State visualize family as the component of the population and in a lower position in comparison with the latter. The subjects within the population become the resources of the state and in the process of reinforcing the State "the individual becomes pertinent for the state insofar as he can do something for the strength of the state" (Foucault, 1980b:152) The marginal contribution of each individual to the strength of the state is considered (Allen,1998:186). Individuals become the 'subjects' of government knowledge and practice and they are seen as to be controlled and known by the state. Integrating the individual into the social entity and making him a part of the state rationality is another crucial feature of governmentality. The technique of the control mechanism is called by Foucault as the *Police*, which later gave way to two emergences, the establishment of police as an institution that has the responsibility to take care of the society and the private life. And the formation of *Polizeiwissenschaft* meaning Political Science in English. It represents the 'discipline' of government and as its name implies refers to scientifically governing the society. *Police* means the control of the population on the individual basis "not only according to their juridical status but as men, as working trading, living beings" (Foucault, 1980b:156) that is the bio-politics. *Police* cares about the population. As Allen (1998:186) connotes from Foucault:

The police deal with religion, not of course from the point of moral quality of life. In seeing to health and supplies, the police will deal with the preservation of life. Concerning trade, factories workers, the poor, and the public order, the police deal with the conveniences of life. In seeing to the theatre, literature, and entertainment, their object is life's pleasure. In short life is the object of the police

So, the police everywhere in every practice acquires control over the population.

The aim of it is claimed to provide a harmonious, progressed social life. Yet, such an

object is not seen as the end of the government, rather the aim is to preserve the State's stability by making the population to carry out a happy, harmonious and productive life.

CONCLUSION

This chapter dealt with Foucault's notion of governmentality, which signifies the political rationality that forms, enables and produces the relations of rule in the contemporary world. Foucault shows that governmentality has its roots in the sixteenth century Western Europe. Therefore, combines two distinct notions: Pastoral Power and Reason of State within itself. Pastoral power is referring to the expertise of ruling a group on an individual basis. It requires the knowledge of the ruled in depth and led to the modification, correction of the group in accordance with previously defined norms. Reason of State constitutes the 'difference' of governmentality or the 'art' of ruling from the past government practice and knowledges. It refers to the transformation of government; changed the conception of the ruler and his relationship with state; changed the type of knowledge of ruling; and changed the unit of rule. Governmentality refers to the autonomous functioning of the state, which is disposed from the notions of sovereignty or a sovereign. It functions for the continuation of the state that is the political power. In addition, governmentality signifies the 'science' of rule where the knowledge of governing becomes a technical knowledge. Finally, population is recognized as a living entity which is composed of individuals and families that need to be controlled, modified and utilized. Every factor, which has an effect on government, is considered in terms of its marginal contribution the state's existence and therefore, all should be known. In addition, governmentality refers to the introduction of the economy into the politics, thus it becomes the knowledge of economic governing of the individuals.

Thus, Foucault's governmentality shows us how modern individuals are produced by a mentality of government.

In this context the final chapter will discuss the issue of management and the discourse of managerialism in the light of the ideas raised by the notion of governmentality. The formation of management as a science of rule was already shown. The basic premises of a managerial administration were also stated. These premises were the consideration of efficiency, effectiveness, productivity in short the economic considerations. The discourse on managerialism signifies the extension of management rationality into the public sphere and all over the social body. I argued that the changes the modern societies and state have been exposed to can be labeled as the 'managerialization of government'. In this respect, where scholars are talking about the coming of a 'managerial society' or the emergence of a 'managerial state' the final chapter will search for the possibility of offering the notion of 'governmentality' that is the political rationality operating over the individuals in the contemporary world.

CHAPTER VI

CONCLUSION

FROM GOVERNMENTALITY TO 'MANAGEMENTALITY '

Allen says that

Governmentality' is a neologism Foucault introduced to combine the idea of *government*, or the power to direct conduct, with the idea of a peculiar *mentality* with which the activity of government has been approached modern times: the presumption that 'everything' can, should, must be managed, administrated, regulated by authority (1998: 179)

In this respect this chapter will present management as that peculiar mentality which attempts to manage everything with regard to economic rationality. I will offer to use a new notion, which I call as 'managementality' in order to grasp the way in which political power operates in the contemporary world.

Foucault says "the essential issue in the establishment of the art of government; is the introduction of economy into political practice. And if this is the case in the sixteenth century, it remains so in the eighteenth" (Foucault,1991: 92). He states that the knowledge on government has transformed since the sixteenth century, with the diffusion of economic rationality into the knowledge of ruling. I argue that the transformation, which Foucault claims, took place in the sixteenth century points the emergence of management as a political form of rationality. The historical transformation, in that respect is its establishment and diffusion into the whole social body.

In addition, the notion of Reason of State refers to the transformation in the 'knowledge' of governing. Foucault claims that Reason of State signifies that the rule gained a scientific character and the knowledge of ruling turns into a technical

knowledge. In this context, I will present an etymological analysis of the two notions: governing and managing. I claim that the two words have the same root, they both refer to verb 'rule'. However, their 'difference' lies in the different types of knowledge they are based on.

I will offer a distinction between types of knowledge and this distinction will be based on the ideas presented by Plato in *The Republic*. Among different types of knowledge in his text, *The Republic*, Plato uses *epistemé* and *techné*. (Plato, 1991) where *epistemé* refers to the 'virtue' and *techné* represent the 'art' or the technical knowledge. Based on such a distinction I will argue that the verb 'to govern' comes from *epistemé* and to 'manage' from *techné*. I claim that the *raison d'état* that is signified by Foucault as the transformation in the form of political rule refers to the transformation of 'government' into 'management'. Based on this argument, then, I will claim to use the notion of 'manageriality' to conceptualize 'how' the modern individuals are produced as subjects in contemporary societies.

VI.I. FROM GOVERNMENT TO MANAGEMENT

In Plato's writings we see Socrates stating that the *epistemé* is the universal truth. It can be found by man only through releasing oneself from perceptual knowledge and turning to one's own senses. Knowing oneself, acting virtuously opens the way to *epistemé* and for Socrates that way does not need to be always within the limits of society's moral conducts and values. This is the understanding that requires a self-knowledge, which emphasizes autonomy and virtue. In the case of *epistemé* the aim was to 'explore' something, and therefore, the word emphasizes the 'end', the end of finding the truth, the way of governing oneself in a true manner.

Moreover, the ability of governing oneself creates the right to lead others since according to Socrates, it is the man who can *govern* himself has the 'right' to rule over the others.

On the other hand, Plato uses a different word that is used as 'art' in the text. In his analysis of *Plato's Republic*, Bloom (Plato, 1991) explains that that word 'art' refers to the *techné* in Greek and

it does not mean art in the present day sense, but rather in the older sense implied, for example, by the word artisan. It means a discipline operating on the basis of principles that can be taught. It is, hence not opposed to science but allied with it, and in Plato the terms 'art' and 'science' are often indistinguishable; an art is always a model of what is rational and intelligible

As it implies *téchne* refers to the 'one best way' of realizing a task (like house building) and emphasizing the 'skill' in learning that knowledge. In *techné* the emphasis is on the 'process'. As in the case of building a house *techné* requires the most efficient use of raw materials and the disposition of things. The master of house building is required to realize the desired end -that is to build the most durable, the most aesthetic house etc. - with the 'best way'.

Following the ideas above then, I claim that what Foucault defined in Governmentality as the 'art' of ruling refers to the *techné* or the technical knowledge of ruling. However, I argue that the transformation that is claimed to be occurring in the mentality of government in the sixteenth century also took place in the language and the verb to 'manage' replaced the verb to 'govern'.

In *Webster's Dictionary*, it is stated that the verb 'to rule' came into usage in English in the thirteenth century. The synonymous verb of 'rule' 'to govern' (in Latin to *gubanare*, in Greek *kyberman*) appeared in the language in the fourteenth century. 'To govern' means 'to exercise continuous sovereign authority over' a territory, over subjects or 'to control and directly influence the actions and conduct ' of some others

(<http://www.m-w.com/dictionary.htm>). This definition, apparently remind us the Machiavellian usage of 'government' which is based on the notions of territory, sovereign authority and the form of rule that is based on a 'right'. However, it is claimed by Foucault that such an understanding fails to be the 'art of ruling' (Foucault,1991) which refers to a technical knowledge. What he has in mind is a different conception of the practice of ruling, which is defined by him as the economic government (Foucault,1991:92). I claim that the idea of economic government and the science of rule which is defined by Foucault as governmentality can be found within the meaning of the verb 'to manage' and the word 'management'. The verb 'to manage' was introduced into the language in the sixteenth century, in exact dates in 1561 and the word management came into usage in 1598. In the dictionary, *to manage* is defined as:

1. to handle or direct with a degree of *skill*
 - a. to make and keep compliant <can't manage her child>
 - b. to treat with care <managed his sources carefully>
 - c. to exercise executive, administrative and supervisory direction
2. to work upon or try to alter for a purpose
3. to achieve one's purpose<conduct>

and finally, the word management is defined as the

1. act or art of managing; conducting or supervising of something (as a business)
2. judicious use of means to accomplish an end

(<http://www.m-w.com/dictionary.htm>)

In this sense, the verb to manage comes from the Latin word *manus* that means 'hand' in English and it emphasizes the importance of the notion of 'skill' in management.

In this context, one may argue that management is a type of knowledge that is classified as *techné*. The definition of the management and the word 'to manage' refers to almost all major themes of Foucault's notion of 'art of ruling'. In fact what Foucault calls within the context of the sixteenth and seventeenth century political writers, refers to a 'science' of ruling. In this respect, I claim this new form of ruling could be labeled as management which is currently defined the 'science' of rule and the 'discipline' of rational administration. In sum, I offer the notion of 'managementality' to explain today's mentality of government, which seems to be motivated by a managerial perspective.

V.II. MANAGEMENT AS AN EXPERTISE

I claimed already, that the Reason of State recognizes a new entity that is population. The population was realized as a body that is living and that should be controlled, manipulated and regulated. The family is seen as the submit of the population, which therefore becomes the instrument of control mechanisms. It is stated by Foucault that the police becomes the control instrument of the state and it takes care of the populations. Police refers both to the expertise of collecting knowledge about the population and refers to the discipline 'political science' where the knowledge of ruling is systematized. In fact, I claim that we can visualize the establishment of management institutions and the establishment of management as a scientific discipline as a form of police.

In time we see management is established as a profession and a discipline with the claim of having formal knowledge. So, it became an expertise, which assumed to be the remedy for all irrationalities. I presented how Mayo, claimed that workers are in an anomic position and therefore, they need to be modified by management. This conception is not limited to the workplace only, so the world is claimed to be full of irrationalities that need to be corrected. Foucault was claiming that the modern individual is subjected to many experts- teacher-expert, psychologist-expert etc.(Foucault,1979,1979)-and they by implying their own techniques have the ability of excluding, labeling, modifying and normalizing the individual. Today, management applies statistical methods, psychological and sociological theories in its practice in order to control the individuals. Management in this respect sees the individual and the society in general as the target of its operations.

In addition, management serves for harmonizing the social life and providing the welfare of the individuals. The discussion on macro-managerialism showed us how so called ethical considerations of management calls for the 'socially responsible' acts. I showed in the third chapter that managerialism in relation to the welfare state, during the post-war period declared its concern about the welfare of the individuals. Currently, such practices gained increasing application within business organizations. Practices that are realized under the name of 'Human Resource Management' put increasing emphasis on employee benefits and social security provisions. As the government's role in these services is decreasing, management seems to show an increasing concern on this issue. Assistance in different forms: payment, health, social and recreational etc. are promoted, so it is claimed that the satisfaction and the motivation of the workers will increase (Mathis

and Jackson, 1996) In addition, the society's life conditions and welfare is assumed to be progressing with these securities. In that sense, management represents the *police* technique of governmentality.

In addition presently, it becomes the 'expertise of the expertise'. Today we are familiar with the consultant agencies, which serve other organizations for making their operations efficient. The consultant, analyses the organizations operations, structures and determines its priorities and offers the organizations how to conduct their operations. Ball, in his work on changes in the education services in Britain says that "management consultants have been brought in to make schools more efficient. They bring with them, as do training course, the discourse and the practices of industrial management. Within such a discourse the curriculum becomes a delivery system and teacher become its technicians or operatives" (Ball,1990: 154). In that sense management becomes the 'conduct of conduct', the mentality operating all over the rationalities of different social structures.

Management as in governmentality, functions both in a totalizing and individualizing manner as the notion of pastoral power implies. As Enteman argued it recognizes the individual as an entity forming the organizations, but on the other hand, his/her autonomy and the will are eroded within the organizational goals. He was saying that the society at the macro level cannot have an organistic structure but the organizations can. Thus, managementality operates over multiplicities. Through organizations, local formations that are promoted in the case of public administration it formed a manageable group of individuals. Rather, it becomes the autonomous form of power, which is dispersed to all business, political and social organizations; in that sense it does not refer to a total and unique rationality which is under the control of a single authority. There are multiple interests, multiple needs

within the society and they are embodied within different organizations. It refers to the combative process of reaching those to affect the result. The definition of management as the administration of modern business enterprises means that its main consideration is to reach a specified end (greatest level profitability, or production, or sales, quality etc.) through the most effective and efficient 'disposition' of things. So, when we apply this definition to the whole society we see that it becomes the description which Foucault calls governmentality so the reason why I name it as 'manageriality'.

Up until now, I try to clarify what I mean with 'manageriality' how it functions as a disciplinary practice through different mechanisms over the society. The second chapter was designed to show the operation of management as a disciplinary practice within the workplaces. However, the third chapter I point out the diffusion of management rationality into the political sphere and presented the structural changes in the public sphere. In addition to the structural changes of the governmental institutions and operations the changing relationship between the state and the society was also significant. It is stated that citizens of nation states started to be identified as the customers of the state services. This transformation of the relations between the state and the society is significant and constitutes a major point in my claim of the operation of manageriality.

I claim that since the 1980's we have been exposed to the deepening effects of manageriality. The relationship between the state and the society has been changing and the relationship between them is redefined. I claim this redefined relationship is based on an economic tie between the government and individuals. Within the operations of manageriality the governance of the society turns into the management of the individuals which are classified either as employees-

insiders- or as customers-outsiders-. Since in the literature, there is no study on the issue of managementality I will offer to read the works provided on governmentality in advanced societies or on neo-liberal politics in order to realize the changing transformation of governmentality into managementality.

V.III. MANAGEMENTALITY IN ADVANCED SOCIETIES

Mitchell Dean, in his analysis of advanced liberalism argues that neo-liberal politics rejects a peculiar type of relationship, which was defined after the Second World War between the government and the society. He mentions that an important feature of neo-liberalism is its promotion of 'technologies of agency' and 'technologies of performance' (Dean, 1999:167-170) where the nature of the relationship between the citizens and the state is recodified. Through agency principle, he claims, the aim is to "establish institutional spaces-government departments, community organizations, service deliverers-as *self managing* (emphasis mine) local centers" (Dean, 1999: 169). The relationship between the state and the individual in that sense is complicated. The link between the state and the individual has multiplied since the latter is tied to those self-managing institutions. Citizens are withdrawn from the political sphere and their interests are assumed to be carried into the government through local organizations. Dean gives an example from Margaret Thatcher's comment where she says in an interview "there is no such thing as society" (Dean, 1999:151). By that Dean says she meant "a rejection of a certain relation between citizens as individuals and in their associations, and society as incarnated in the national state" (Dean, 1999:151-152). Rather than seeing the individual in a demanding position in front of a paternalistic

structure-that is welfare state-, neo-liberal rationality wants to put the individuals in a contractual relationship with the state. Accordingly, they have to bargain for their interests and have to have a good offer in return for their demands. Dean's example of the Australian new conservative government's Labor policy is significant. Australian government provides assistance to the unemployed people through "job-search training, job clubs and training programmes, in order to make themselves ready and available to take up job opportunities in the labour market" (Dean, 1999:160). However different from the past practices new government policy requires the agencies constructed as business like organizations that have to compete with each other as in market and the individual is put in a 'contractual relationship' with those institutions as a consumer. Dean says that the new state says to those individuals with these policies that "if you require guidance and training practice of freedom you must first exercise your freedom as a consumer of employment services to gain access to such guidance and training" (Dean, 1999:161). I think the passage I quoted is significant since it verifies my claim that the relationship between the state and the individual has turned into a market type of relation. Individuals are classified as consumers.

The 'technologies of agency' have two important features, first they are implied over a certain "targeted population i.e. populations that manifest high risk, or are composed of individuals deemed at risk. Victims of crime, smokers, abused children, gay men, intravenous drug users, the unemployed, indigenous people, and so on..." (Dean, 1999:168). Secondly, especially implied over the unemployed group as the example above shows 'technologies of agency' require the individuals to enter into a 'contractual relationship' with the institutions, and with the state. That way they agree to follow a "range of normalizing, therapeutic and training measures

designed to empower them, enhance their self-esteem, optimize their skills and entrepreneurship and so on" (Dean, 1999: 168).

The 'technologies of performance' constitutes the second technology employed by the governments and it represents the second example of the general rationality of neo-liberal policies. As the name implies 'technologies of performance' desire to make each unit -organizations, associations and the individuals- self-managing agents according to some previously set criteria. In that sense organizations are subject to strict control, they have specific budgets; performance targets to reach cost and profit standards in their operations. Individuals, on the other hand, as active participators by being consumers of these operations follow the general principles and the standards. Unemployed have to be active job seekers, they have to utilize their own resources to be more demanded by the employers. In that sense, the individuals' self conception has also been changed and he/she becomes and entrepreneur of himself.

Thus, the dominant political rationality that I called as managementality, operates like Bentham's Panopticon; it aims to include everyone within itself. It operates over the employees of the business, political, educational organizations and the members of them-"students, teachers, managers, workers, bureaucrats etc.- more importantly over the outsiders, -unemployed, smokers, etc.- by preventing them from staying outside.

This thesis was an attempt to discuss and evaluate the discipline of management critically. Throughout this study I have argued that management I have argued that management as a business administration once expanded into the public institutions has become more and more political. This is so because management as I have argued is not only about reaching profit maximization or increasing production

but it is a control mechanism operating first within the private organizations and later within the public institutions. For this reason, I have attempted to use two very significant concepts of Michel Foucault that are panopticism and governmentality. I wanted to emphasize that management can be conceived as a "technology" and "rationality of power", that is it is intrinsically political. In this sense I have argued that we should evaluate management as a modern form of power that operates over the whole society. In line with Foucault's diagnosis I claim that in the contemporary world modern individuals are controlled, manipulated and reproduced as subjects by "manageriality". In other words, the principles and commitments of management are not limited to private firms anymore but they are shaping our lives everyday.

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