

Comments on Nicole Mayer-Ahuja and Harald Wolf
”Beyond the Hype. Working in the German Internet Industry”

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New Work? Better Analysis

Through intensive case studies, this paper explores arguments concerning qualitative changes in work, organizations and the wider economy associated with the emergence of ‘knowledge capitalism’ (in itself a continuation of theories of post-Fordism and flexibilization). The authors at one level work inside those assumptions but with a degree of distance by making clear that the claims made within the dominant literature require empirical testing. In the opening section, they also situate developments inside the emergence of financialized economies where capital markets become primary drivers of change. It might have been useful to note that there is a tension between these two macro arguments. Conventional knowledge economy theories (Adler 2001) posit a shift from hierarchy and market *to* trust. Financialization, in contrast, implies the strengthening of market mechanisms (Thompson 2003). Of course such trends are subject to variations in models of capitalism and the authors are careful to include such considerations, whilst yet exploring whether a convergence of new organizational forms is occurring across institutional boundaries.

Focusing on new media companies, the empirical section of the paper begins with an overview of trends, highlighting the significant change that took place in 2000-01 as the industry experienced contraction and concentration. The case study investigation identifies key issues concerning work and knowledge, and hierarchy and control. Project working is the consistent form. One of the innovations of this study, however, is that analysis does not stop at this point but instead outlines typical task structures and divisions of labor within web-based working. Moving beyond mere description, the paper distinguishes between definitional, conceptual and

implementation tasks based on sequential workflows. Brief reference is made to the work of Frenkel and others (1999) but it might have been useful to compare these new categories with those of Frenkel and others, who also locate types of work activity within the workflow, but add something missing from Mayer-Ahuja and Wolf's account – a consideration of how those practices relate to types of knowledge.

The examination of hierarchy and control issues focuses initially on autonomy as a way of testing claims that structures are moving in an entrepreneurial, post-bureaucratic direction. A balanced picture emerges: neither elaborated hierarchies nor consistent indicators of egalitarian principles and outcomes. The trend is towards greater hierarchy, influenced in part by the post-2001 movement through foundation to consolidation phases in the sector. A degree of originality in the argument is the emphasis on hierarchy as an outcome of the need for symbols of recognition – a process driven as much, if not more, by the perceived requirements of customers as employees themselves. There are some feelings of loss for the more open arrangements and the emergence of the classic tensions between creativity and control. A parallel tension emerges between enhanced work pressures that are (self) imposed within project teams and some degree of normalization of hours. A further and perhaps less expected finding, was the very limited use of freelancers – an outcome presented in rational-instrumental terms (trust, quality etc.) by case study managers. This is in sharp contrast to images of the 'free worker' (Knell 2000), the American cousin of the 'free agent' (Pink 2001), supposedly characteristic of knowledge economies, at least in the Anglo-Saxon world. Nor, interestingly, is there much sign of another signifier of the informational society – home or teleworking. The authors find that considerations of cost and control limit such arrangements, where managers prefer direct observation facilitated by open-plan offices. Trends with respect to control are typical of the overall picture. The hybrids of autonomy and hierarchy are primarily the outcome of organizations-in-the-making

and ad-hoc adjustments to customer requirements, rather than a strategic direction dictated either by managerial choice or market contingency.

emphasize

Overall, the paper offers a very useful correction to inflated knowledge work claims. The authors highlight the contrast between rhetoric and reality by emphasizing that managers and (some) employees cling to self-imposed founding myths. However, the rather short conclusion does not return to and reflect on the initial broader theoretical themes, thus limiting the analytical impact. It may be that the authors believe that limited lessons can be drawn from such a 'young industry', but if so, that needs to be pursued. There are in the paper, as we have pointed out, some conceptual innovations, notably in the categorization of types of knowledge work, but these innovations need to be integrated into a wider analytical framework.

Mayer-Ahuja and Wolf's research is significant because it offers empirical analysis of the claims within the knowledge capitalism literature. Such analysis is currently sparse. The UK lacks empirically-derived basic data and information on work and organization in the new media sector. Most material. Instead. prescriptively focuses on the supposed 'new' ideational or symbolic meaning of products as they are either created in workers' or experienced in customers' heads. Alternatively, some material, which is hugely cross-cited, does relate to the employment of workers, or more usually the terms and conditions of, and these workers' orientations to, that employment (Scottish Centre for Employment Research 2004). It is here that the bridge is made from the first to the second foci, with the trite but untested eulogies for the 'free worker'.

As a result of this myopia, a gaping hole in the analysis exists. It is as if there is conception and consumption, with nothing interesting or relevant in between. Production is absented. However, recent changes in the structure of the industry in the UK, with the bursting of the dot.com bubble with ICT services being brought in-house within larger 'old economy' firms as ITC becomes more intelligible and simplified with consolidation and rationalisation amongst

smaller new media firms and these firms evoking of more 'business like' internal structures and practices suggest a maturing industry in which work and organization too might be changing but not in ways predicted within the dominant literature. Thus, the black box of production needs to be opened if empirically informed understandings of work and organization within knowledge capitalism and its other appellations are to be generated. The myopia is not just a statistical oversight; it reflects the weakness of current conceptualizations that mistakenly and simplistically 'read off' forms of work and organization from new products and the assumed key resource input into those products – knowledge. Mayer-Ahuja and Wolf's research on German new media companies addresses this need; the next step is integrating this and others' work that might follow into that wider analytical framework, enabling better assessment of the alleged economic paradigm shift.

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