Romanticizing the Market: Jean-Jacques Rousseau and the Pedagogy of Post-Bureaucratic Management

Christian Garmann Johnsen

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Abstract. This paper shows how Hobbes’ and Rousseau’s contrasting mythologies of social organization translate into two fundamentally different conceptions of management. Hobbes offers the myth of the uncivilized human in the dystopian state of nature who needs governance in order to counter his or her own self-destructive tendencies. This myth informs the classic management theories of Taylor and Mayo. Rousseau proposes a counter-myth that envisions the noble savage in the utopian state of nature, who becomes morally corrupted by being socialized into the institutions of modern society. This myth is echoed in post-bureaucratic management literature. Comparing Rousseau’s romanticization of nature with what I call the romanticization of markets, I show how the post-bureaucratic management literature employs the logic of market rationalism to generate a managerial pedagogy that installs the market as the control mechanism for regulating the internal relations of the organization.

Keywords. Market rationalism, post-bureaucracy, mythology, Rousseau, Hobbes

Introduction

In a letter dated 31 August 1761, Voltaire wrote to Rousseau: ‘One feels like crawling on all fours after reading your work’ (as quoted in Boucher 1997, 8). What Hobbes portrayed as an unbearable condition – the absence of sovereign authority in the state of nature – was contrasted by Rousseau ([1762] 2002) into its diametrical opposite, and elevated to a romantic ideal so compelling that Voltaire considered abandoning his civilized manner of walking in order to get closer to his authentic human condition. In sharp contrast, Hobbes ([1651] 2008) believed that the state of nature
inevitably led men into a fierce struggle for power that would subsequently trigger a devastating
and universal war ‘of all against all’, a fate that humanity could only escape by means of a
sovereign authority. Yet, Rousseau countered that Hobbes’ account of the state of nature was
flawed, because he had confused ‘the natural man’ with ‘a bourgeois of London or Paris’ (as quoted
in Riley 1996, 208, original italics). In his natural condition, Rousseau claimed, man is not a greedy
creature striving for wealth, lust and pride, but rather an innocent being – a ‘noble savage’ (Guignon
2004, 31) – foreign to the fatigues that plague society. As Rousseau saw it, the war of all against all
in the state of nature that so deeply concerned Hobbes is not the inevitable product of a natural
human longing for power. Quite the contrary, it is a consequence of engaging in social relations and
being situated within civic arrangements.

In this paper, I show how Hobbes’ ([1651] 2008) and Rousseau’s ([1754] 2002) contrasting
mythologies of social organization translate into two fundamentally different
conceptions of management. For his part, Hobbes proposes the myth of the uncivilized human in
the dystopian state of nature who needs governance in order to counter his or her own self-
destructive tendencies. As scholars have claimed, this myth informs Taylor’s system of scientific
management (Scott and Hart 1971) and Mayo’s version of the human relations movement
(O’Connor 1999). In both of these conceptions, management takes on the responsibility that Hobbes
ascribes to the Leviathan, protecting the organization from chaos, disorder, inefficacy and waste
(see also Kaulingfreks and ten Bos 2008). Since the link between Hobbes and classic conceptions of
organization is well established, the contribution of this paper is to show the relevance of Rousseau
in understanding the management regime based upon the logic of market rationalism.

Against Hobbes, Rousseau proposes a ‘counter-mythology’ (Munro and Huber 2012) that
envisions a noble savage in the utopian state of nature who is morally corrupted by becoming
socialized into the institutions of modern society. I argue that this myth resonates with post-
bureaucratic management. To show this, I discuss popular management literature by Peters and by
Hamel, who are each considered among the most influential management gurus today and whose
‘revolutionary rhetorics of management’ have ‘drastically changed’, according to Clegg, ‘contemporary organizations and the lives of many people in them’ (2012, 64). Peters (1992) and Hamel (2007) regard traditional managerial techniques as disparaging barriers that disconnect organizations from their natural markets. In effect, Peters (1988) and Hamel (2002) each call for a ‘management revolution’ to facilitate consumer responsiveness and to allow employees to express their authentic selves within the workplace. To accomplish this, corporations should adopt a managerial regime based upon the logic of ‘market rationalism’ (see Adler 2001; Fleming and Sturdy 2009; Kunda and Ailon-Souday 2005; Kunda and Maanen 1999; Sennett 2006) in order to heal the split between hierarchy and market imposed by traditional managerial techniques.

Before proceeding, it is important to clarify the concept of myth. Myths are often considered false, illusionary or fictitious stories that stand in opposition to true and objective knowledge. Against this view, I hold that myth and knowledge are intertwined and that myth is not equal to fiction. As Horkheimer and Adorno ([1972] 2007) brilliantly show, perhaps the most dominant myth circulating in the modern era is the idea that the Enlightenment has successfully replaced illusionary convictions with objective knowledge. I therefore follow Sørensen who suggests that we should place ‘myth’ and ‘knowledge’ on the ‘same epistemological level’ and henceforth view myth as a producer of organizational knowledge (2008, 88). Myths are real, because they contain their own reality that produces real effects. As Munro points out, this knowledge provides the ‘foundations of organization’ (2005, 81). In other words, myths are characterized by their ability to lay out the narrative ground upon which social organization can be derived (Gehmann 2003). Hobbes ([1651] 2008) and Rousseau ([1754] 2002) provide precisely these kinds of narratives to ground the social order. By elaborating Hobbes’ ([1651] 2008) and Rousseau’s ([1754] 2002) contrasting mythologies, I will show how we can grasp the logic that grounds classic and post-bureaucratic management literature.

The objective of this paper is not to demystify post-bureaucratic management literature by disclosing the gap between its rhetoric and so-called ‘actual’ social reality. Instead, my aim is to
consider post-bureaucratic management as a reflection of a romantic tradition that can be traced back to Rousseau, and thereby show that this literature is a narrative with deep roots in Western culture. As a neoliberal form of governance, post-bureaucratic management has ‘naturalized’ Schumpeter’s portrayal of capitalism as an engine of ‘creative destruction’ that renews the economy through a self-generated process (Dean 2014, 59). By comparing Rousseau’s ‘romanticization of nature’ (O’Hagan 1999) with what I call Peters’ and Hamel’s romanticization of the market, I engage in the project of ‘denaturalizing’ (Fournier and Grey 2000), showing that post-bureaucratic management relies upon a ‘romantic ethos’ (du Gay 2000, 66) that can be traced back to Rousseau. This paper therefore places the managerial regime based upon the logic of market rationalism where it belongs, namely in a romantic tradition that celebrates the spontaneous and creative capacities of the natural order and complains that civilization has alienated humans from their harmonious original state.

The paper is structured in four parts. The first part reviews the ways that Hobbes has been compared to Taylor’s and Mayo’s classic management theories. In response to Kaulingfreks and ten Bos (2008), I argue that the contemporary organizational landscape is not only informed by a Hobbesian conception of social order, but also draws implicitly upon a critique of civilization that was originally formulated by Rousseau. The second part discusses the ways that Rousseau’s critique of modern society is echoed in the writings of Peters and Hamel. Whereas Rousseau reproaches modern society for producing a split between civilization and nature, Peters and Hamel each charge that traditional modes of management produce a split between hierarchy and market. The third part compares Rousseau’s programme of education with Peters’ and Hamel’s bureaucratic managerial regime based upon the logic of market rationalism. The final part discusses how the romantic view of the market underlying post-bureaucratic management literature is sustained through a circular logic. Here I also reflect upon the possibility of using counter-myths to offer alternatives to the prevailing market-based conception of organization.
Hobbes and the Problem of Social Order

According to Parsons (1949, 88), Hobbes was the first philosopher to formulate ‘the problem of social order’ on a utilitarian basis without recourse to a religious foundation (Kaulingfreks 2005). Before Hobbes, the necessity of constituting society guarded by a supreme authority was typically legitimized by appealing to God’s ‘Divine Law’ (Aquinas [1259-1264] 1988, 28) and the need to protect man from his sinful nature (Parsons 1949, 88). The Christian Roman emperors, for instance, considered themselves God’s representatives on earth and grounded their authority in a theological narrative. Evoking the myth of the state of nature, Hobbes ([1651] 2008) offers a secular explanation for why social organization must be regulated by a sovereign. In what follows, we will see how conceptions of organization are often morally legitimized with implicit reference to Hobbes’ solution to the problem of social order (Kaulingfreks 2005; Kaulingfreks and ten Bos 2008; Spoelstra 2007), especially as it applies to the classical management theories of Taylor (Scott and Hart 1971), Weber (Hanlon, 2016) and Mayo (O’Connor 1999).

Hobbes’ Myth of the State of Nature

Hobbes suggested that in the absence of social organization, man was cast into a pre-political state of nature. According to Hobbes’ myth of the state of nature, man was originally privileged with freedom to act upon his natural inclinations, but also entrusted to provide for his safety and welfare. But since ‘every man has a right to everything’, Hobbes ([1651] 2008, 80) inferred that in the state of nature there was nothing to prevent the occurrence of violent conflicts. If two persons, for example, ‘desire the same thing’, Hobbes continues, ‘which they cannot both enjoy, they become enemies’ ([1651] 2008, 76). Hobbes stresses that the problem is not only that men in their original condition enter into rivalry over the limited amount of available resources. Rather, the real predicament consists of the absence of formal institutions to regulate the conflicts of interest that
inevitably arise between men in the state of nature. Because no sovereign authority ensures that disputes are settled without resorting to violence, Hobbes states that in the state of nature, man would constantly risk becoming the victim of crime and injustice. As a result, man would experience a relentless feeling of fear, anxiety and distress, reducing life into a ‘nasty, brutish, and short’ affair (Hobbes [1651] 2008, 78).

Since the prospect for men in the state of nature was so dire, Hobbes believed that the state of nature would eventually come to an end. The concern for self-preservation, Hobbes ([1651] 2008, 78) maintains, would make men realize that they should abandon their absurd state of nature and form a society. But in order to do so, Hobbes contends that people would have to suspend their natural freedom and surrender to a sovereign authority with a monopoly on violence and legislative supremacy. Hobbes’ label for this sovereign authority is the Leviathan, named after the sea-monster in the Book of Job and depicted on the front cover of Hobbes’s book with the same title, as a monarch comprised of the body of citizens of the state. Here Hobbes describes the Leviathan as a ‘mortal god to which we owe, under the immortal God, our peace and defence’ ([1651] 2008, 106), shielding humanity from disorder, waste and inefficiency.

**Hobbes and Classic Management Theory**

It has been argued that Hobbes’ philosophy often ‘functions as a presupposed theory of organization’ (Spoelstra 2007, 30, original italics) without necessarily being consciously recognized. Similar to the way that Hobbes suggests that certain collective goals (such as security, welfare and peace), can only be achieved by instituting a social organization governed by a sovereign authority, so, too, it is widely assumed that management-run organizations are necessary in order to ensure stability, order, and productivity, because management, as Parker puts it, is expected to ‘protect us against chaos and inefficiency’ (2002, 2). This is not to suggest that contemporary conceptions of organization fully represent Hobbes’ ideas. Obviously, the above
outline of Hobbes is ‘simplistic’ (Spoelstra 2007). Yet, it is precisely this simplistic outline of Hobbes that is applied to contemporary conceptions of organization, according to Spoelstra (2007). Thus, Kaulingfreks and ten Bos remark that:

[…] Hobbes’ ideas are still widely accepted as the theoretical basis for order even to the point that we all routinely justify institutions and organizations as something needed in order to prevent us from the war of all against all, in short, from chaos. Indeed, nowadays organizations justify themselves as moral institutions that allow people to bring in order, productivity and security. (Kaulingfreks and ten Bos 2008, 108)

While Kaulingfreks and ten Bos (2008) do not offer specific examples to illustrate how Hobbes’ ideas have been appropriated by organizations, Scott and Hart (1971), O’Connor (1999) and Hanlon (2016) draw parallels between Hobbes and classic management theory. Scott and Hart (1971) show that Taylor’s ([1911] 2003) system of scientific management implicitly relies upon a Hobbesian anthropology, portraying human beings as atomistic entities, rationally driven by their natural passions. According to Taylor, workers’ ‘natural laziness’ combined with their engagement in ‘systematic soldiering’ predispose them to minimize their work-effort, which results in a tremendous ‘waste’ of human resources ([1911] 2003, 11). In order to counter this tendency, the manager, according to Taylor’s conception, should intervene in ‘systematic soldiering’ among workers and thereby guide them towards a more productive manner of conduct by installing incentive structures and procedures for executing the work-task.

Drawing on systematic studies, Taylor suggested that the manager should provide ‘complete written instructions, describing in detail the task which he is to accomplish, as well as the means to be used in doing the work’ ([1911] 2003, 138). Control therefore acquires a specific meaning in Taylor’s system of scientific management: all decisions concerning the execution of the work-task fall under the domain of management (Braverman 1979, 69). In effect, Scott and Hart show that both Hobbes and Taylor ‘believed that control, exercised by central authority, was necessary to counter the natural tendency of man to act in self-destructive ways’ (1971, 244). As a
result, the manager assumes the function of a Hobbesian *Leviathan* by imposing constraints on workers’ freedom in order to suppress their naturally vicious propensities and guide them towards productive manners of behaviour (Hanlon, 2016). Along similar lines, Hanlon shows how Weber’s bureaucracy had the ‘potential to act like Hobbes’s state – as an external force that could act as a power to guarantee the survival of the individual by punishing aberration’ (2016, 32).

Although the human relations school founded by Mayo is considered to have humanized the organization by drawing attention to the psychological aspects of work, O’Connor shows that Mayo merely took one more step in ‘transform[ing] Hobbes’s Leviathan […] into the modern-day manager’ (1999, 229). As Mayo ([1933] 2003) saw it, the findings from the Hawthorne studies of worker productivity, which suggested that ‘social disequilibrium’ resulted from ‘social disorganization’, did not imply that the level of managerial control should be relaxed. Quite the contrary; management should undertake the task of restoring social order in society as a whole. Disillusioned by what he considered the progressive decline of social order in society, Mayo believed that an ‘administrative elite’ should develop ‘better methods of maintaining working morale’ ([1933] 2003, 167, original italics). Whereas current political leaders had failed to show ‘perspicacity or foresight in the present serious crisis’ (a reference to the turbulent social conditions of the era), Mayo concluded that it was the responsibility of managers to succeed where governments had failed.

O’Connor (1999) argues that Mayo ascribed to management the responsibility that Hobbes reserves to the Leviathan, to protect man against chaos, disorder, and anarchy. Thus, the ‘administrative elite’ should ‘become the guardian of social order and Western society itself, for it would save humanity from its naturally dire state’ (O’Connor 1999, 229). In light of this, it is no wonder that McGregor could claim that ‘no fundamental shift of assumptions or managerial philosophies had occurred’ from scientific management to the human relations movement (Wren 2005, 431). Despite the fact that Mayo rejected the ‘over-simplified notion that economic incentives largely explain employee behaviour’ (Thompson 2003, xii), an assumption frequently claimed to
underlie Taylor’s thinking, his human relations school was no radical departure from the paradigm of scientific management but rather constituted its logical extension (Drucker 1990).

**Rousseau’s Rejection of Hobbes**

Having showed that Hobbes’ ([1651] 2008) myth of the state of nature is echoed in Taylor’s and Mayo’s classic management theories, I will now turn to Rousseau’s ([1754] 2002) counter-mythology and its relevance to post-bureaucratic management literature. Although it is comprised of many different positions, post-bureaucratic management literature can be characterized along two trajectories: the persistent generation of new management techniques and a strong scepticism towards traditional modes of management, particularly Weber’s model of bureaucracy and Taylor’s system of scientific management (du Gay 2000; Salaman 2005; Thrift 2000; Boltanski and Chiapello, 2007). As both of these dimensions are present in the writings of Peters and Hamel, I will use them in order to engage with post-bureaucratic management literature. I am aware that Peters and Hamel cannot provide a comprehensive representation of post-bureaucratic management literature. Yet, I believe that Peters and Hamel can shed light on how rhetoric of management have moved beyond the Hobbesian rationale that underlies classic management theory.

At one level, I have chosen to focus on Peters and Hamel because they are two gurus who are considered as the most influential exponents of post-bureaucratic management today (Clegg 2012). Beyond this, the reason why I engage with Peters and Hamel is because their popular management rhetoric can serve to illustrate how the managerial regime, based upon the logic of market rationalism, is rooted in a romantic mythical narrative. Mapping the development of management thought in modern times, Kunda and Ailon-Souday (2006) make the case that the idea of market competition has gained a significant role in contemporary management thinking. While the 1980s were dominated by the rhetoric of cultural management, Kunda and Ailon-Souday (2006) have noted that recent decades have witnessed the emergence of a new managerial paradigm based
upon the logic of ‘market rationalism’ (see also Adler 2001; Fleming and Sturdy 2009; Kunda and Maanen 1999; Sennett 2006).

Market rationalism is a managerial regime that uses the ‘root image of the market and of the patterned relationships between rational market actors to capture, understand, and describe corporate realities and to guide managerial practice’ (Kunda and Ailon-Souday, 2006, 208). On this account, management should organize the internal operations of the corporation according to principles derived from market competition. Rather than directly interfering in work-procedures, management should therefore indirectly employ market-mechanisms in order to regulate the activities of the corporation. In this way, ‘the market is becoming an organising principle’ (Weiskof and Loacker 2006, 8, original italics) that should govern not only the external, but also the internal relations of the organization. Peters and Hamel are prime examples of management gurus who promote market rationalism. Tellingly, Peters confesses: ‘I love markets. I admit it’ (1992, 484). In what follows, I will concentrate on the work of Peters (1988, 1990, 1992) and Hamel (1998, 2002, 2007), and read each of their critiques of traditional modes of management against the backdrop of Rousseau’s rejection of Hobbes’ state of nature.

Rousseau’s Counter-Mythology

According to Rousseau, civilization does not eradicate cruelty, injustice and rivalry but in fact, actually produces these social maladies. Hobbes had therefore confused the solution to predicaments of humanity with the cause of the problem itself. The root of Hobbes’ error, Rousseau ([1754] 2002) elaborates, lies in his failure to adequately account for man’s original condition. More precisely, Rousseau contends that Hobbes had transposed the image of the modern citizen back into the state of nature, and consequently incorporated aspects of society in his portrayal of the state of nature (Wokler, 2001). Rousseau insists that Hobbes made the mistake of ‘speaking of savages’ while describing ‘citizens’ ([1754] 2002, 88). In effect, Hobbes projects the maladies of
modern society, such as rivalry over material goods, back upon the state of nature without realising that these predicaments are essentially the result of having established social institutions. Society is no escape from the brutal war of all against all that Hobbes imagined reigning in the state of nature. Quite the opposite, Rousseau holds that ‘society itself is the cause of the miseries and corruption of modern existence’ (Guignon 2004, 29).

To counter Hobbes, Rousseau presents what Munro and Huber call a ‘counter-mythology’ (2012, 530). A counter-mythology does not consist of demystifying the original myth by revealing the truth concealed beneath its supposedly deceptive façade. Rather, a counter-mythology challenges the original myth by creating an alternative mythical narrative. This is precisely what Rousseau accomplishes by imagining a utopian state of nature. Rousseau undermines the Hobbesian myth of the barbarous state of nature by proposing a radically different narrative that evokes the harmonious nature of man’s original condition. In order to correct Hobbes’ flawed account, Rousseau believed it was necessary to envision a state of nature suspended from all social dimensions, including language, morality and cultural norms. Stripped of his or her social existence, Rousseau believes that man could neither be considered good nor bad, since these categories only gain significance in civilization. But although good and bad were foreign to the state of nature, Rousseau warned that we should not conclude ‘with Hobbes, that man, as having no idea of goodness, must be naturally bad’ ([1754] 2002, 105). Instead, Rousseau maintains that:

Hobbes […] should say that the state of nature, being that in which the care of our own preservation interferes least with the preservation of others, was consequently the most favorable to peace, and the most suitable to mankind […] (Rousseau [1754] 2002, 105)

In this way Rousseau converts Hobbes’ dystopian state of nature into a utopian ideal wherein humans live peacefully with nature. Thus, Rousseau remarks that ‘nothing is more gentle than [man] in his primitive state’ ([1754] 2002, 119). Rousseau therefore asserts that we should not blame the state of nature for causing a war of all against all (Dent, 2005, 38). Instead, we should
hold the structures of society responsible, because, as Rousseau shows, society ‘constantly puts us in situations where it is in our interest to be mean’ (Deleuze 2003, 53).

Critique of Traditional Management

According to Guignon, ‘Rousseau’s diagnoses of modern life still ring a bell for us today’ and he can be considered to have anticipated ‘the self-help gurus of our own time’ (2004, 29). Here I will show how Rousseau’s critique of Hobbes is echoed in Peters’ and Hamel’s critique of traditional management. The starting point of Peters’ and Hamel’s respective critiques of traditional management is the development of the modern business enterprise in the course of the 20th century. As professional management became an integrated part of the modern business enterprise, what Chandler characterized as the ‘visible hand of management’ gradually replaced what Smith ([1776] 2007) had called the ‘invisible hand’ of the market as the predominant mechanism for allocating resources. While the economy was traditionally organized into single-unit firms that competed in the open economy, Chandler describes how ‘the producing and distribution units within a modern business enterprise are monitored and coordinated by middle managers’ while top management passed decisions regarding the allocation of resources (1977, 7).

In the literature on post-bureaucratic management, the tendency towards managerialization of the modern business enterprise has been faulted for disconnecting organizations from their respective markets and repressing people’s natural creative talents (for a discussion, see Kunda and Ailon-Souday 2006). In effect, both Peters (1992) and Hamel (2007) put the blame on traditional modes of management, tied to the legacy of Taylor’s system of scientific management, for causing many of the problems confronting contemporary organizations, in particular their inability to foster innovation (for discussion, see Thrift 2000). For instance, Hamel characterises traditional managerial technologies as ‘pathologies that prevent companies from being adaptable, innovative, and high engaging’ (2007, 189), because they prevent their employees from unfolding their natural
creative abilities, being in close contact with consumers and realizing themselves in the workplace. Instead of being a ‘remedy’ against ‘inefficiency’, as Taylor ([1911] 2003, 119) characterized scientific management, Hamel describes the legacy of scientific management that still guides everyday practices in many corporations as a ‘disease’ and ‘malady’ (2007, 245; see also Johnsen 2015).

In line with Hamel, Peters retains that traditional management systems and bureaucratic procedures are disparaging ‘barriers’ (1988, 460) that prevent employees from taking initiative within the organization, being passionate about work and activating their entrepreneurial competences. Unnecessary meetings, endless paperwork, vertical hierarchies, dysfunctional rules and formal job-descriptions should therefore be discarded by encouraging everyone to embrace ‘anti-bureaucratic effectiveness’ (460) in the organization. On Peters’ account, traditional management systems and bureaucratic procedures do not ensure effective work-procedures and smooth organizational processes. On the contrary, traditional management systems and bureaucratic procedures are considered antithetical to establishing a work-environment that facilitates change, innovation and entrepreneurship. As a result, Peters suggests that the manager must avoid assuming the function of a bureaucratic ‘rule enforcer’ (301) who schedules work-procedures, requires detailed planning of activities and demands that employees are constantly reporting their accomplishments.

Both Peters’ and Hamel’s respective critiques of traditional modes of management resonate with Rousseau’s critique of Hobbes. Similar to the way that Rousseau blamed society for producing rather than solving our predicaments, Peters (1988) and Hamel (2007) each blame traditional modes of management for making corporations less competitive rather than more competitive. So parallel to the story that modern society corrupted authentic human morality by alienating people from nature, as described by Rousseau, we find in Peters (1988; 1992) and in Hamel (2002; 2007) the idea that traditional management structures corrupt employees’ creative potential and alienate corporations from their natural markets. In effect, traditional managerial
technologies, such as those developed by Taylor, do not protect the organization from its members’ self-destructive tendencies. Quite the opposite, traditional modes of management hinder employees from developing their natural imaginative impulses (for critical discussion, see du Gay 2000; Salaman 2005; Thrift 2000).

Recall that according to Rousseau ([1754] 2002), humans are not naturally selfish, violent and greedy. Instead, modern society has subjected men to a ‘metamorphosis’ (Wokler 2001) that has evoked these negative characteristics. In post-bureaucratic management literature, we often find a similar charge made against Taylor’s system of scientific management. A frequent objection to scientific management is that the theory is basically a ‘self-fulfilling prophecy: if people are expected to be recalculating and economically rational, they are likely to behave in such a fashion’ (Johnson and Gill 1993, 48). Scientific management stages a conflict between workers and managers by shaping them into rationally calculating agents that are destined to enter into antagonism.

Contrary to Taylor’s assumption, neither Peters nor Hamel believe that workers and managers hold naturally opposing preferences. In complete contradiction of this view, Hamel explains that humans ‘have to create’, because it is a ‘primeval urge’ by which we ‘each of us assert our humanity and individuality’ (2007, 195). However, because traditional modes of management operate on the basis of hierarchy, standardization and supervision, they structure the organization into a ‘creative apartheid’ (Hamel 2007, 189) that corrupts employees’ natural potential for imagination. Hamel ironically concludes that the industrial age management model ‘guarantees that a company will never get the best out of people’ (2007, 208, original italics) by imposing a social structure that prevents its members from being innovative and creative.

Returning to the Market
Up to now, we have looked at the ways that Rousseau’s critique of civilization is echoed in the post-bureaucratic critique of traditional modes of management. Let us now consider how Rousseau’s educational reform is reflected in the managerial regime based on the logic of market rationalism as proposed by both Peters and Hamel. Although he blamed modernity for engendering the maladies plaguing society, Rousseau believed that it was neither possible nor desirable to return to a state of nature by abandoning civilization. On this point, Hobbes and Rousseau agree, because they both saw the need for a supreme authority. Yet, Rousseau called for political and educational reforms that retrieve man’s original condition within society. In a parallel way, both Peters (1992) and Hamel (2007) concede that management should heal the split between hierarchy and market by retrieving the market within the organization (for discussion, see Adler 2001). In what follows, we will see how Rousseau’s way to reconcile nature and civilization resonates with Peters’ and Hamel’s attempt to incorporate the market into the organization.

I will not primarily focus on Peters’ (1992) and Hamel’s (2007) respective portrayals of the market, but rather the way in which they each suggest that managers should organize the corporation according to market mechanisms. Evidently, Peters (1992) and Hamel (2007) assert that the market is a ruthless force that in many respects resembles Hobbes’ chaotic state of nature. Yet, the challenge confronting management, according to Peters (1992) and Hamel (2007), is not to shield the organization from the chaotic nature of the market. Rather, the organization must enter into a harmonious relationship with the evolutionary forces of the market that constantly changes the basis for competition. Instead of being protected from chaos, the corporation should learn to ‘thrive on chaos’ (Peters, 1988). To accomplish this, management must incorporate the market into the corporation by reconfiguring the organization into a site for competition between self-managing teams. In order to explore how Peters (1992) and Hamel (2007) believe this can be achieved, I will draw on Rousseau’s programme of education.

*Rousseau’s Programme of Education*
As Rousseau complains, we are accustomed from ‘early childhood’ to an ‘absurd system of education [which] enhances our mind and corrupts our judgment’ ([1754] 2002, 61). In order to counter this tendency, Rousseau develops a pedagogic system designed to make civilization and nature mutually reinforcing rather than conflicting forces. The basic principle of Rousseau’s programme of education is that the tutor should not pass judgement on whether a child’s actions are right or wrong, and not directly interfere in the conduct of the child. Rather, the educator should expose the child to the natural consequences of his or her actions. Rousseau argues that as the child experiences these consequences, nature itself will become a control mechanism that will automatically adjust the child’s behaviour.

At one point, Rousseau discusses the scenario in which a child is ‘ill-tempered’ and consequently ‘ruins everything he touches’ ([1763] 1979, 100). Contrary to conventional education, Rousseau does not suggest that the tutor should punish the child for his misconduct. Nor should the child be removed from circumstances in which he is able to destroy valuable possessions. In other words, the tutor should not directly interfere with the behaviour of the child. Instead, the educator should engineer circumstances under which the child can ascertain the natural consequences of his actions, according to Rousseau. In this way, the child experiences the disadvantage of being deprived of the things that he destroys. Thus, Rousseau instructs that:

[The child] breaks the windows of his room; let the wind blow on him night and day without worrying about colds, for it is better that he have a cold than that he be crazy. Never complain about the inconveniences he causes you, but make him be the one to feel those inconveniences first. (Rousseau [1763] 1979, 100)

Rousseau ([1763] 1979) believed that nature had an inherent capacity to penalize immoral behaviour. For this reason, punishment should consist of exposing children to the ‘natural consequence of their bad action’ (101). By tolerating that the natural consequences of actions unfold, nature and civilization can enter into a harmonious symbiosis. But in order to allow nature
to perform the function of disclosing misconduct and forming the basis of moral judgements, Rousseau maintains that the tutor needs to place the child in scenarios wherein he or she can gain first-hand experience of behaving in a certain manner (Wokler, 2001). As described above, Rousseau retains that by feeling the ‘wind blow on him night and day’ will subsequently make the child realize that he or she should not repeat actions. If this does not alter the child’s behaviour, then the tutor should ‘close [the child] up in darkness in a place without windows’ ([1754] 2002, 100). Indisputably, these unpleasant experiences will make the child understand that his behaviour is wrong. Along these lines, Rousseau constructs a system of education designed to retrieve man’s authentic relationship towards his surroundings by installing nature as the ultimate yardstick against which actions can be assessed.

**Embracing Internal Markets**

Comparing Rousseau with McGregor’s ([1960] 2006) neo-human relations movement, Scott and Hart maintain that despite obvious similarities, McGregor was less radical than Rousseau, because he did not ‘ask for the destruction of institutions and a recreation of a new polis’ (1971, 253, original italics). In sharp contrast, in the writings of Peters and Hamel on post-bureaucratic management, we do find that they insist on the need to destroy traditional managerial institutions and to create new forms of organization. Peters writes that managers ought to be ‘seeking out and battering down the very functional barriers that [managers] were formally paid to protect’ (1988, 368) and Hamel (2007) similarly proposes that firms must radically depart from traditional management models. Peters has repeatedly called for a ‘management revolution’ (1987) and Hamel has urged managers to become ‘corporate rebels’ by ‘leading the revolution’ (2002).

My point here, however, is not that Peters or Hamel have fully appropriated Rousseau’s ideas. Rousseau remains much more radical than either Peters or Hamel, especially in his critique of social institutions, such as the ‘institution of private property’ (Wokler 2001, 11), which remains a
central premise of neoliberal capitalism. There are obvious and significant differences between Rousseau, on the one hand, and Peters and Hamel, on the other. Yet, rather than insisting that Peters and Hamel are authentic Rousseauians, I will show that Rousseau’s ideas about the regulative function of nature can be extrapolated to the ways that Peters’ and Hamel’s managerial thinking interposes the market as a natural regulative control mechanism. My aim here is therefore to use Rousseau’s ideas in order to explore a managerial regime that relies upon the logic of market rationalism. This will allow us to see how managers should, to borrow the words of Kunda and Ailon-Souday, ‘design the work environment according to market principles’ (2006, 208).

As a consequence of being disconnected from the market by traditional modes of management, Peters and Hamel both warn that corporations risk being out-competed by entrepreneurs armed with innovative products, services, and modes of production. As Peters and Hamel maintain, the function of the market is not only to allocate resources. As well, the market has the capacity to foster innovation. Here Peters and Hamel each draw on Schumpeter, who famously described capitalism as a system that fosters ‘creative destruction’ – a process that ‘incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one’ ([1942] 1994, 83, original italics). And in today’s global economic landscape, Hamel explains that ‘Schumpeter’s gale of “creative destruction” has become a hurricane’ (2002, 7), forcing firms to innovate perpetually in order to remain competitive. Nevertheless, because they have replaced the invisible hand of the market with the visible hand of management, according to Peters (1990), firms have become detached from the evolutionary process of creative destruction that constantly changes the basis for competition.

In order to recover from the split between hierarchy and markets inflicted by traditional modes of management, Peters (1990) and Hamel (1998) have each suggested that corporations dissolve the boundary between the organization and its environment to facilitate consumer responsiveness. The organization must therefore enter into a symbiotic relationship to the process of creative destruction that constantly alters the basis for competition, because, to use Spoelstra’s
words, success depends upon the ability to ‘act rapidly on the way the market is reinventing itself’ (2010, 93). With its portrayal of the market as a dynamic site of competition, post-bureaucratic management literature is therefore fully attuned to neoliberalism (Foucault 2008, 141; see also De Cock and Böhm 2007, 822). By reversing the managerialization of the modern enterprise, Peters (1990) hopes that the evolutionary process of creative destruction can take place within the organization itself. Peters states that:

Let economist Joseph Schumpeter’s powerful “gale of creative destruction” not just refer to entrepreneurs attacking the establishment from the outside, but to a self-generating strategy for obsoleting ourselves from the inside—before some outsider does it to us first. (Peters 1990, 10)

The essence of Peters’ ‘management revolution’ consists of incorporating the evolutionary mechanism that drives the economic development of the external market into the organization’s own internal structure. Indeed, Peters suggests that firms should ‘force the market into the company, no matter how rough the fit’ (1990, 14) and thereby make creative destruction operate within the realm of the organization rather than its environment. For instance, Hamel maintains that the secret behind the success of Silicon Valley, which has been the incubator for some of the world’s most successful high-tech companies, is that the area is basically a set of ‘interconnected markets: a market for ideas, a market for capital, and a market for talent’ (1998, 75). Hamel continues that while Silicon Valley is a ‘vibrant market’, the average corporation tends to be structured like a ‘smothering bureaucracy’ that stifles innovation. To reverse this trend and make large corporations more innovative, Hamel suggests that they should literally ‘bring Silicon Valley inside’ (70) by reconfiguring the organization into a market for ideas, talent and capital.

To orchestrate such a development, Peters (1988, 297) and Hamel (2007, 104) each propose that large corporations should be reorganized into constellations of self-managing teams competing against each other for spawning the most promising innovative initiatives (for discussion, see Adler 2001; Fleming and Sturdy 2009; Kunda and Ailon-Souday 2006; Kunda and
Maanen 1999; Sennett 2006). Modelled after the market, the self-managing teams should be permitted to operate autonomously, according to Peters. Yet, in order to realistically simulate the conditions of the actual economy, the self-managing teams should not be allocated too many resources and should be ‘cut off quickly’ if they fail to deliver innovative products, modes of production and services that satisfy consumers’ expectations and demands (Peters 1988, 202). In this way, Peters hopes to ‘repair the wounds produced by traditional management’ (De Cock and Böhm 2007, 822-3).

**The Pedagogy of Post-Bureaucratic Management**

It is important to emphasize that although structuring the organization into an internal market, the managerial regimes proposed by Peters and by Hamel preserve a vital role for management. As I will show, both Peters’ and Hamel’s revolutionary writings on management generate a managerial pedagogy that proceeds on the same principles as Rousseau’s programme of education. As Rousseau emphasizes, the educator should not directly intervene in the behaviour of the child. Similarly, Peters maintains that the manager should not dictate the work-task, as Taylor had proposed. Because job descriptions designating ‘the tasks that need completing’ constrain the scope of innovative manoeuvres, the ‘only solution is therefore to scrape’, according to Peters (1988, 501). In this way, Peters’ proposals ‘attack the fundamental tacit principle of scientific management’ (Kleiner 2008, 284). Further, Hamel (1998) expresses strong distrust in a manager’s ability to judge the creative potential of the initiatives proposed by the self-managing teams, because one cannot ‘trust the judgement of a senior vice president to get resources behind the best ideas’ (1998, 76). So, managers should best refrain from passing judgement on the suggestions proposed by the self-managing teams, because they lack the competence and knowledge to do so.

Recall that as an alternative pedagogy, Rousseau suggests that the tutor should engineer scenarios in which the child is exposed to nature. Nature, according to Rousseau, has an inherent
capacity to punish immoral behaviour. If we turn our attention to the post-bureaucratic management literature by Peters and by Hamel, we can see that they assign a similar regulatory function to the market. As Peters makes clear, the market will punish lack of innovation, because the intensive competition of the global economy will reward those companies that deliver original products and services while ultimately driving out businesses that fail to renew themselves. For Peters and Hamel, the market is not simply a mechanism for allocating resources, but rather a site for competition between entrants and existing players. For this reason, Peters states that ‘the essence and the engine of the market is failure’ (1992, 485). Or to put it in slightly different terms, Peters and Hamel assert that the competitive structure of markets will reward firms that constantly innovate while punishing businesses that fail to do so.

Rather than protecting the self-managing teams from the market, management should turn the organization itself into a dynamic site of competition. In order to achieve this, the manager should embrace pedagogical principles strikingly similar to Rousseau’s programme of education. Parallel to the way that the child learns by being exposed to nature, Peters would have self-managing teams learn by being exposed to the market, forcing them to gain experience through ‘trial and error’ (1992, 485). When they have to confront how initiatives fail to meet the expectations of consumers and being tested against other entrants, the self-managing teams will be forced to make innovative products and services that are competitive in the market. In this way, the manager must show the self-managing teams how the market can ‘provide “guidance”’ and ‘sort things out’ for them (Peters, 1992, 485).

Removing job descriptions and bureaucratic procedures does not imply that the level of control should be relaxed. Instead, Peters would have the market itself operate as a regulatory mechanism within the organization by requiring self-managing teams to produce innovative products and services that satisfy consumers’ expectations and preferences. Peters (1988, 363) emphasizes that ‘the power of the market’, as conveyed by the voice of the consumers, can replace managerial supervision, because it operates as a ‘disciplining force’ that requires the self-managing
teams to produce competitive products and services. While Rousseau believes that nature should serve as the ultimate moral touchstone, both Peters and Hamel maintain that the market should serve as the control mechanism against which all initiatives should be assessed. To enable the market to serve this function, the manager must create scenarios in which the self-managing teams are exposed to the consumer and tested against competitors. For instance, Peters suggests that managers should ensure that ‘everything’ is evaluated on the basis of ‘pilots’ that are launched at ‘trial sites’ (1988, 220). By requiring the self-managing teams to provide pilots of their initiatives that are exposed to consumers and launched at different trial sites, Peters believes that the market can be installed as a control mechanism within the organization.

While Rousseau holds that nature should regulate the behaviour of the child, Peters and Hamel each claim that it is the market that should regulate the operations of the organization. Instead of having the freezing ‘wind blow’ on the child at night, as Rousseau ([1763] 1979, 100) recommended, Peters therefore suggests ‘blasting the violent winds of the marketplace into every nook and cranny in the firm’ (1992, 14, original italics). However, it is the responsibility of the manager to make sure that the self-managing teams are constantly exposed to the competition of the market. Ultimately, Peters and Hamel fosters a managerial pedagogy wherein managers should neither directly interfere nor pass judgements on the activities of the employees, but rather allow the market to regulate the internal activities of the corporation. But although both Peters and Hamel want to substitute market control for managerial control, we can see that the system that they each propose still requires managerial intervention.

Peters (1992) draws upon the work of Hayek who sees the market as a form of ‘spontaneous order’ (grown order) (1973, 37). This type of order, Peters (1992) maintains, stands in sharp contrast to ‘deliberate design’ (made order), which he associates with traditional modes of management and Hayek (1973, 33) associates with Hobbes. Ironically, however, bringing the market into the organization, as both Peters and Hamel propose, involves deliberate design, because it is the manager that must stage competition between the self-managing teams. So it seems that the
natural order of the market is not something that naturally reveals itself. It requires that the
managers engineer scenarios that ensure that the self-managing teams are exposed to consumers and
require them to make pilots of their initiatives to be launched at trial sites. This shows that the post-
bureaucratic management literature by Peters and Hamel relies heavily upon the visible hand of
management, since it should stage for the market to reveal itself within the organization.

Concluding discussion

The aim of this paper has been to suggest that Rousseau’s philosophy can serve as a counter-
mythology against Hobbes in understanding the management regime based upon the logic of market
rationalism exemplified by the work of Peters and Hamel. I first showed that Rousseau’s critique of
Hobbes resonates with the critique made by Peters and Hamel against traditional managerial
technologies. In addition, I have shown how Peters’ and Hamel’s attempt to repair the split between
market and hierarchy inflicted by traditional modes of management resonates with Rousseau’s
attempt to repair the split between nature and civilization inflicted by modern society. Engaging in
this philosophical exercise is important in order to recognize how conceptions of organization
circulating in popular management literature are founded on mythologies that have deep roots in
Western culture (Munro, 2005; Gehmann 2003; Sørensen, 2008). In other words, spelling out
Hobbes’ and Rousseau’s respective mythologies enables us to elucidate the foundations upon which
different conceptions of organization are grounded and legitimized.

With regard to post-bureaucratic management literature, we have seen how both Peters and
Hamel mobilize a ‘romantic’ ideal that deems traditional modes of management unethical on the
basis that it fragments organizations while they ‘should be organic and “whole”’ (du Gay 2000, 3).
In effect, revealing the mythical foundation of conceptions of organization allows us to put the
focus on the ways that the mythology underlying post-bureaucratic management literature fosters a
romanticization of the market. This romanticization conceives the market as a naturally evolving
regulative force that selects and generates innovative products, services, and modes of production. The market revives a process of creative destruction that constantly renews the economy and changes the basis for competition. In this way, post-bureaucratic management literature ascribes a ‘miraculous’ (Spoelstra 2010) capacity to the market wherein it has the ability to renew the economy through a self-generated process. Here we can see how post-bureaucratic management literature naturalizes Schumpeter’s idea of creative destruction (Dean 2014, 59), because according to its logic, firms will inevitably be outcompeted if they fail to synchronize to the way in which the market is reinventing itself.

This romantic view of the market, however, can only be sustained through a circular logic whereby one attributes the miraculous capacity to the market in retrospect – that is, one can only celebrate the market for showing the new after the new has been revealed. Conversely, failure to meet the challenges of the market is also discovered only retrospectively. In effect, the problem is that it is impossible to falsify the idea of the market and claim that it has failed, because ‘failure’ is the very essence of the market (Peters 1988). This tautology has practical implications. While Peters (1988) calls upon consumer responsiveness to encourage the rapid development of the market, this is no guarantee for success in business. In his famous study of the disk drive industry, for instance, Christensen (1997) showed that even when corporations persistently scan markets and carefully listen to consumers, they can still overlook new technologies being commercialized in niche markets that will give new entrepreneurs a competitive advantage. Since consumers are not always informed about products and services they may desire in the future, Christensen concludes that organizations cannot expect consumers to lead them towards innovations in the market, because consumers may provide ‘misleading data’ (1997, 172).

Unsurprisingly, Christensen (1997) does not go on to debunk the romanticization of the market that we have seen in Peters (1992) and in Hamel (2007). On the contrary, his study actually reinforces the romanticization of the market by holding on to the idea of the market’s miraculous capacity for innovation. The basic lesson from Christensen’s study is that even consumer
responsiveness is not enough to keep up with the rapid development of the market. Yet, markets themselves are always successful, because what is successful is what thrives on the market. If markets fail, then it is because there is another market that works better. Ultimately, Christensen (1997) further elevates the market to the role of an intrinsically creative force that requires firms to perpetually innovate in order to remain competitive. However, the mechanisms that allow the market to reinvent itself remain a mystery, or something that is perhaps best described as a ‘miracle’ (Spoelstra 2010).

Although this circular reasoning is an inherent feature of the romanticization of the market, we should not draw the conclusion that we have effectively freed ourselves from mythologies. Not only would this be a naïve position that overlooks how the idea of replacing mythical narratives with objective knowledge (demystification) is itself based upon a myth of perpetual technological and scientific progress (Horkheimer and Adorno [1972] 2007). In addition, it would fail to recognize that ‘self-referentiality’ (Gehmann 2003) is an essential characteristic of any mythology, regardless whether it is the mythology underlying classical management theory or the mythology underlying contemporary post-bureaucratic management literature. Post-bureaucratic management typically tries to deny its own myth by naturalizing the market as an engine of creative destruction (Dean 2014). Yet, there are no conceptions of organization unmediated by myth, because in fact, they are always structured according to self-referential mythologies (Munro 2005).

Recognizing such circular reasoning and self-referentiality opens the path for ‘denaturalizing’ (Fournier and Grey 2000) the mythologies that inform conceptions of organization, including the romanticization of the market that forms the basis for post-bureaucratic management literature. Here we can see how the portrayal of the market as an engine of creative destruction underlying post-bureaucratic management literature is contingent upon a self-referential narrative. While this romantic mythical narrative is predominant in much of today’s management literature, we should remember that it is not the only way to conceptualize organization. On the contrary, post-bureaucratic management literature is embedded in a specific romantic tradition and it stands in
contrast to conflicting mythologies, such as Hobbes’ dystopian myth of the state of nature. The managerial regime based upon the logic of market rationalism is therefore only one among many ways in which organization can be conceived. Equally, there might be alternative mythologies that can unlock conceptions of organization that have not been entertained previously.

From this insight follows an important implication: the invention of alternative mythologies or counter-mythologies would enable us to imagine different forms of organization. My concern here is not to offer such alternatives (see Parker et al. 2014), but rather acknowledge the need and possibilities for experimenting with different foundations of organization by constructing mythologies and counter-mythologies. In other words, mythologies are able to lay out foundations upon which new conceptions of organization can be derived (Munro, 2005; Gehmann 2003). Herein lies the creative and utopian dimensions of mythologies. Just as Rousseau offered a counter-mythology to Hobbes, one might experiment with new forms of organization by envisioning counter-mythologies to the one that underlies post-bureaucratic management literature. In this way, the enactment of counter-mythologies may serve to counterweight and offer alternatives to prevailing market-based conceptions of organization. And this may indeed prove to be all the more pertinent in a time that predominately remains trapped within the singular romantic mythology of the supposedly spontaneous and creative capacities of the market.

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