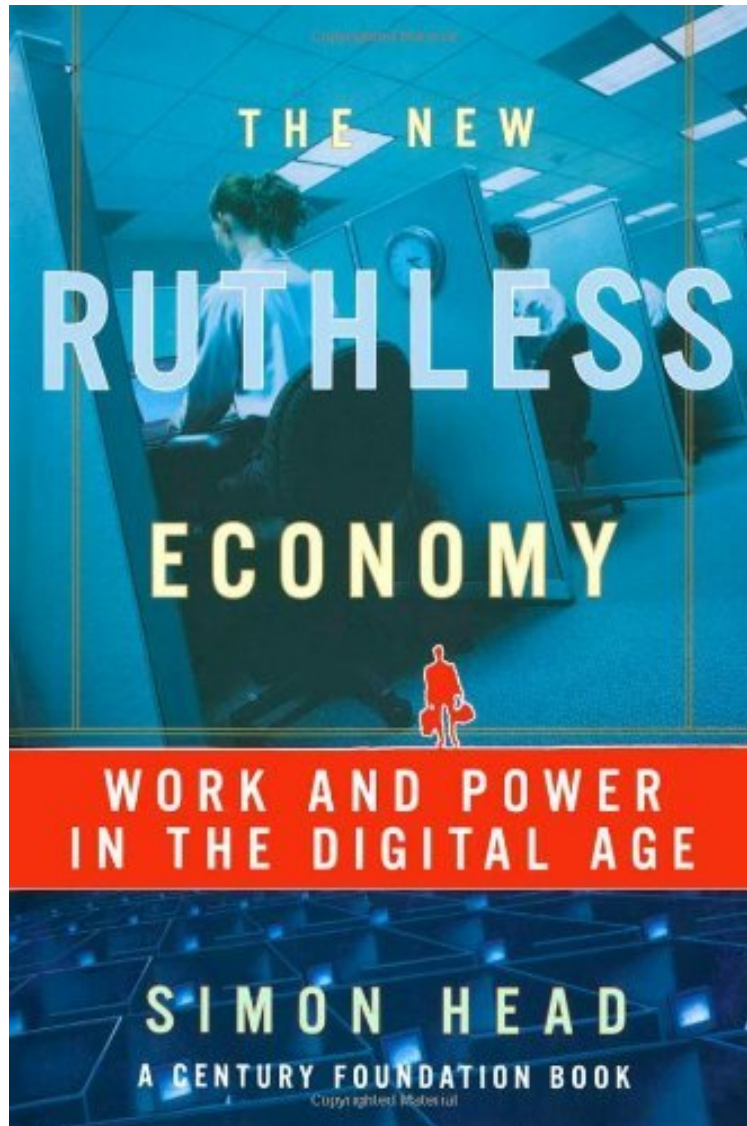


(Download) The New Ruthless Economy: Work and Power in the Digital Age (Century Foundation Books (Oxford University Press))

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Simon Head

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Simon Head : The New Ruthless Economy: Work and Power in the Digital Age (Century Foundation Books (Oxford University Press)) before purchasing it in order to gauge whether or not it would be worth my time, and all praised The New Ruthless Economy: Work and Power in the Digital Age (Century Foundation Books (Oxford University Press)):

0 of 0 people found the following review helpful. New economy has its own version of "scientific management."By

Wallace Katz Shows how the new technologies restore some of the more controlling aspects of the old industrial and manufacturing economy that is now shipped abroad for cheap labor and for global assemblage. What efficiency experts and ruthless productivity have now been transferred to services even at the high professional level such as physicians. A little dated because corporations are not today so much huge multi-nationals as small companies which keep design of the product for themselves with few employees and then whether in the US or abroad, using the new technologies, farm out all the actual production globally (and take no responsibility for it). Scientific management or what some call "Taylorism" is not dead; indeed, it is very much alive in what people describe as the new economy. Le plus ca change, le plus c'est meme chose. 0 of 0 people found the following review helpful. Ruthless Economy: work and power our time By Will Whitman Authoritarian practices in the workplace date back a century to the scientific management espoused by F.W. Taylor and American industrialists like Henry Ford. A sea-change occurred during the Vietnam war when advanced computer technology, developed by the Dept. of Defense, was deployed to tabulate the tonnage of bombs dropped and rates of kill. This book richly illustrates what industry did after it took this computational infrastructure and applied it to the office - they were equally pitiless in its application. 3 of 3 people found the following review helpful. Working Under the All-Seeing Eye By Southpaw68 With Drucker's Post Capitalist Society, I got the impression that production was the key to higher pay, but Head contradicts that notion saying that the American work force has been made more productive, but it still has not seen much of an increase in pay. A worker works harder and faster, but still gets paid about the same. Even white collar workers and highly skilled professionals are managed scientifically under Taylor's principles. There seems to be a spreading madness for higher production. It is dehumanizing to have to do tasks at a speed and manner that may not fit the personality and ability of the person doing the job. I suppose that increasing production may decrease the price of the product because of the increased supply due to higher production. This would lower the cost for the consumer who is also the worker, which would be a benefit. I can see why workers resisted Taylor's schemes to get them to be more productive. It is much more desirable for the workers to set the pace without having supervision, rather than having a supervisor tell you to speed up. Besides, not everyone works at the same pace, unless you force them to. Even health care has become a dehumanizing experience for patients as they too have to endure a managed care system geared toward production, rather than caring for the patient. It seems to be a very male-oriented philosophy to coldly concentrate only on production and beating out the less productive competition, as opposed to other values that could be emphasized. By increasing the productivity of workers, an employer reduces the labor cost of making the product, ultimately trimming down the number of people employed. With Taylorism, the worker participates in his own eventual replacement by suggesting ways to do the work more efficiently. Although there had been some talk of the increase of worker autonomy and empowerment with rise of Japanese auto production, actually management practiced a more refined Taylorism. Workers were both bored by simple tasks and stressed to keep up with the speed of the line. This decreased the quality of working life. Unions were unable to penetrate into Japanese run plants worldwide to attempt to slow down the line and give workers more power. It's amazing that the engineers of the Casepoint software thought that it would work. Customers who call in about equipment they don't understand are often rambling and incoherent. Such unpredictability would ruin such a system. You need to use the human computer to figure out such problems. No artificial computers have been created yet that would fix such problems. I agree with Reichheld that if you treat employees well and retain their loyalty and service, then the business runs much more smoothly and profitably, without having to resort to such immoral tactics as management by excessive and stressful monitoring. Management, employees, and customers benefit from having a humane work environment. Businesses should focus on this, rather than on just production. Unfortunately, businesses often view their employees with contempt and think that they can be easily replaced. Businesses listen more to scientific managers, rather than to humane ones. With Head's review of scientific management, I get the impression that Taylor and his followers really do belong in the lowest parts of hell. But focusing on higher production is not a bad pursuit as long as it doesn't become the only goal. There are many problems with scientifically managed healthcare. Patients are "medical losses" in managed care; the term is used to describe the loss of profit when the patient cost the MCO too much money. Such patients are unprofitable clients to the reengineers following the principles of scientific management to try to reduce the cost of healthcare. The invasion of this philosophy into the healthcare system has not gone over well with doctors or patients. Patients don't want to be treated like products; doctors want to make their own decisions about the patient's care without having to go by the rigid guidelines of managed care. Because physicians are no longer making flexible decisions during the diagnosis of patients, medical errors are opening them up to lawsuits, which further increase the cost of healthcare. MCO's are more interested in making a profit, than merely holding down costs. Since there has been an increase of bureaucracy because of the contentious negotiations between doctors, hospitals, and HMO's, costs are increasing probably more so than they were before managed care. To bring costs down they must deny care to patients, particularly if they are unprofitable patients with severe and chronic health problems. This market solution to rising health care costs has not been that successful; the author suggests that all could be covered under nationalized health care. Drucker would probably object with the usual argument about people waiting years for a serious operation to be done under nationalized care. Although companies talk of employee empowerment with the advent of IT technologies, the opposite

has actually occurred. There is a chance for empowerment, but not with the way the technology is being used now. The technology actually gets in the way of employees becoming more experienced at solving problems, which could lead to job satisfaction. While scientific management has had some success in manufacturing as far as higher production goes, it has not been successful in services that deal with humans, which requires more complexity and caring. There are other values that are more important than production in the services. Head disagrees with Drucker that higher production necessarily leads to higher wages. The fruits of increased productivity often go to the CEOs and shareholders, and senior managers, not employees.

In the great boom of the 1990's, top management's compensation soared, but the wages of most Americans barely grew at all. This wages stagnation has baffled experts, but in *The New Ruthless Economy*, Simon Head points to information technology as the prime cause of this growing wage disparity. Many economists, technologists and business consultants have predicted that IT would liberate the work force, bringing self-managed work teams and decentralized decision making. Head argues that the opposite has happened. Reengineering, a prime example of how business processes have been computerized, has instead simplified the work of middle and lower level employees, fenced them in with elaborate rules, and set up digital monitoring to make sure that the rules are obeyed. This is true even in such high-skill professions as medicine, where decision-making software in the hands of HMO's decides the length of a patient's stay in hospital and determines the treatments patients will or will not receive. In lower-skill jobs, such as in the call center industry, workers are subject to the indignity of scripting software that lays out the exact conversation, line by line, which agents must follow when speaking with customers. Head argues that these computer systems devalue a worker's experience and skill, and subject employees to a degree of supervision which is excessive and demeaning. The harsh and often unstable work regime of reengineering also undermines the security of employees and so weakens their bargaining power in the workplace. Drawing upon ten years of research visiting work places across America, ranging from medical offices to machine tool plants, Head offers dramatic insight into the impact of information technology on the quality of working life in the United States.

From Booklist This is a provocative call for the rehumanization of business and society, revolting against the impact of reengineering and massive information technology systems. Journalist Head rationally gathers the evidence and presents the case against mass production: from 1990 to 2003, inflation-adjusted wages and benefits of American workers stagnated, rising less than 1 percent yearly on average. It all started, Head claims, with Frederick Taylor's *Principles of Scientific Management* (1911), which advocated use of engineering methods to improve productivity. Change continued with Michael Hammer's promotion of streamlining the way service industries (e.g., call centers and modern medicine) do business, accompanied by the installation of huge enterprise resource planning systems. The results? Poor to nonexistent, as the doctor-patient consultation relationship fades, as supervisors micromanage every minute of employees' work, and as once-valued workplace skills and specialties are lost. A dramatic presentation that, unfortunately, includes few specific recommendations for change. Barbara Jacobs Copyright copy; American Library Association. All rights reserved "A welcome caution against believing all the claptrap we have heard about 'empowered' workplaces."--*The New Leader* "Asserts that corporate America's ambition to use technology to expand factory floor-like conditions extends well beyond the computer software mills and telephone call centers to the highest reaches of white-collar employment."--*Los Angeles Times Book* "This extraordinary book puts together the culture of modern capitalism with numbers and hard facts. Simon Head has written a disturbing and brilliant analysis of what ails the modern economy."--Richard Sennett, *London School of Economics* "If you're interested in the U.S. economy, you must read this book. It is full of fresh insights, meticulous reporting and historical resonance. Simon Head shows us why the new economy is less new than we thought. Investors and policy makers will find reading this well-written analysis a memorable experience."--Bill Bradley "Provocative and thoughtful."--*Library Journal* "Acute and clearly presented."--*New York of Books* "As this hard-hitting book shows, most American companies have used information technology not to liberate workers from drudgery but to further their regimentation.... A sobering view of the new workplace."--*Harvard Business* About the Author Simon Head is Director of the Project on Technology and the Workplace at the Century Foundation. He has been a correspondent for the *Financial Times* and the *New Statesman*, and his writings have also appeared in *The New York of Books*. He lives in New York City.