THE INTELLECTUAL AND THE ORGANIZATION: LEGITIMATING SHAREHOLDER'S VALUES THROUGH BUSINESS

Fernando Ramalho Martins[1]

ABSTRACT

This work presents some of the ideas of the Italian theorist Antonio Gramsci, aiming to contribute with Critical management studies. Some of the main ideas of this author are discussed, emphasizing the concepts of hegemony, consensus and intellectuals. Two interrelated hypotheses concerning the role of intellectuals in organizations are presented: 1) legitimizing the "market logic" at all organizational levels; 2) conceal and secure the process of expropriation of surplus value. Such hypotheses are discussed from the analysis of an organizational training called a simulator, whereby workers from an automotive company play the role of businessmen in a suggestive business game. The existence of this technique was evidenced from an interview with an HR executive, and from an organizational prospect, through which the objectives and main characteristics of this training were presented. It is concluded that this practice is an exemplary technique that seeks to create consensus in the relations of production and, consequently, to ensure hegemonic power in labour relations.

Keywords: Intellectual; human resources; hegemony.

O INTELECTUAL E A ORGANIZAÇÃO: LEGITIMANDO OS VALORES ACIONISTAS ATRAVÉS DOS NEGÓCIOS

RESUMO

No presente trabalho apresentaremos ideias do teórico italiano Antônio Gramsci, visando contribuir para o desenvolvimento dos Estudos Críticos em Administração. São discutidos

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1   Professor Assistente Doutor da UNESP - Araraquara. Doutor em Sociologia pela UFSCar - Universidade Federal de São Carlos, com estágio de doutorado-sanduíche na School of Social Sciences da Cardiff University, Reino Unido. Mestre em Administração pela UFPR - Universidade Federal do Paraná e graduado em Administração de Empresas pela USC - Universidade do Sagrado Coração.

alguns dos principais conceitos desse autor, destacando os que seguem: hegemonia, consenso e intelectuais. Duas hipóteses inter-relacionadas acerca de qual seja o papel dos intelectuais nas organizações são apresentadas, a saber: 1) legitimar a "lógica do mercado" em todos os níveis organizacionais; 2) ocultar e assegurar o processo de expropriação da mais-valia. Tais hipóteses são discutidas a partir da análise de um treinamento organizacional denominado simulador, por meio do qual os trabalhadores do chão-de-fábrica de uma empresa do setor automotivo desempenham o papel de administradores em um sugestivo jogo empresarial. A existência dessa técnica foi constatada a partir de uma entrevista realizada com um executivo da área de RH dessa empresa e de um prospecto organizacional, por meio do qual se apresentavam os objetivos e as principais características desse treinamento. Conclui-se que tal prática constitui uma técnica exemplar que visa criar o consenso nas relações de produção e, consequentemente, assegurar o poder hegemônico nas relações de trabalho.

Palavras-Chave: Intelectual, recursos humanos, hegemonia

LA INTELECTUAL Y LA ORGANIZACIÓN: LEGITIMANDO LOS VALORES DE LOS ACCIONISTAS A TRAVÉS DE NEGOCIOS

RESUMEN

En el presente trabajo presentaremos ideas del teórico italiano Antonio Gramsci, con el objetivo de contribuir al desarrollo de Estudios Críticos en Administración. Se discuten algunos de los conceptos principales de este autor, destacando los siguientes: hegemonía, consenso e intelectuales. Se presentan dos supuestos interrelacionados sobre el papel de los intelectuales en las organizaciones, a saber: 1) legitimar la "lógica del mercado" en todos los niveles organizacionales; 2) ocultar y garantizar el proceso de expropiación de plusvalía. Dichas hipótesis se analizan a partir del análisis de una capacitación organizacional llamada simulador, en la cual los trabajadores de la planta de una empresa automotriz desempeñan el papel de gerentes en un juego de negocios. La existencia de esta técnica se verificó a partir de una entrevista con un ejecutivo de recursos humanos de esta empresa y un prospecto organizacional, que presentó los objetivos y las características principales de esta capacitación. Se concluye que dicha práctica constituye una técnica ejemplar que tiene como objetivo crear consenso en las relaciones de producción y, en consecuencia, garantizar el poder hegemónico en las relaciones laborales.

Palabras clave: Intelectual, recursos humanos, hegemonía

INTRODUCTION:

Organizations and their agents have been the subject of study in different fields of knowledge. In Organization Theory, functionalism has played the main role in the analysis of both of them (BURREL & MORGAN, 1979; DAVEL & ALCADIPANI, 2003), resulting in a very positive perspective. In general lines, historical contradictions and antagonisms inherent to our social mode of (re)production are shadowed. Hence, part of our social reality has been left behind. Taking it into account, we believe that developing critical theorizations are vital for the enhancement of Organization Theory as a field of study.

In search of collaborating with the fostering of critical thinking on organization studies, this paper presents a case that allows approaching the issue of control of labour through hegemony. Building on Antonio Gramsci's theorization, we analyse findings from a study of an automotive plant located in Sao Paulo, Brazil, focusing on a HRM practice called "The Simulator", that we consider very representative of the role of the intellectual in modern organizations in terms of consensus search. The analysis of this practice allowed us to formulate some hypotheses concerning the role played by the intellectual of a renowned international organization.

We will open the paper with a literature review aimed at offering as overview of critical approaches in Organization Theory, indicating how control has become a main topic of industrial sociology and, lately, of organization studies. After that, we will explore Gramsci's theorization possible contributions for this field, with special focus on his examination of the role of intellectuals in the reproduction of society through consent formation. Eventually, we will illustrate our discussion with data from the aforementioned case study, aiming to answer the question: what is the role of the HRM intellectuals who work for a profit organization in nowadays capitalist society?

The analysis hereby presented may contribute to enhance the accumulated scientific understanding about control of labour by capitalist organizations through examining a quite particular technique involving the simulation of a business, designed by executives to be played, as a game, by workers, with the purpose of persuading them about the rightness and

complexity of decision-making by company leaders. We will argue that, by carrying out such practice, the organization executives act as intellectuals in service of forging consent.

CRITICAL APPROACHES IN ORGANIZATION THEORY: UNDERSTANDING THE SOCIO-DYNAMICS OF CONTROL AND RESISTANCE IN AND AROUND ORGANIZATIONS.

An overview of critical theorizations within organization theory takes us back, as a starting point, to the Anglo-Saxion industrial sociology tradition, which has had control and resistance as a privileged focus of analysis. Braverman's discussion is considered a cornerstone in such tradition. Based on Cox (1978), Nichols (1999) states that the pre-Braverman period can be divided in three parts, as follows:

1945-1950s: human relations and social-technical approaches offered the guidelines for researches (inspired by Burns and Stalker and Tavistock Institute findings).

i. Late 1950s to late 1960s – "there is a greater concern with academic and professional ambitions and a purer sociology begins to emerge, with less immediate ties to consultancy or policy" (NICHOLS, 1999, p. 112)

ii. Late 1960s to late 1970s – marked by an increase number of neo-Weberian critique of Parsons and its functionalism and by the proliferation of critical theoretical discussion (inspired by Marxism and phenomenology) rather than empirical work.

First published in 1974, "Labor and Monopoly Capital: The Degradation of Work in the Twentieth Century" became a reference for the debate on "(...) Labour Process and the complex forms through which the dominance of capital over labour develops and reproduces itself" (PAÇO CUNHA, 2014, p. 741). Brown (1992, p. 167-168) explains that the Labour Process Theory, born with Braverman's book, became increasingly dominant in industrial sociology from 1980s decade on, and:

> ... only very recently has its importance appeared to be on the wane. No new perspective has yet taken its place, though there are a number of contenders such as concerns with modernism and post-modernism, and arguments about new forms of flexibility and organizations.

It is possible to affirm that understanding the dynamics between Capital and Labour was among the main concerns of Labour Process Theory (LPT). The first conference of this analytical perspective was held at UMIST in 1983 (SMITH, [20-?]), and was strongly influenced by Braverman (1983). Marxism was a keystone in the development of this tradition by offering a framework for studies of capitalist work organizations. As noted by Knights and Willmott (1990, p.1), in a book which tries to summarize the main findings of Labour Process Theory:

> With some notable (French) exceptions (Mallet, 1975 and especially Gorz, 1967), the foundations of labour process theory laid by Marx (1976) had comparatively little impact upon the study of work before the publication of Braverman's Labor and Monopoly Capital (1974). Seeking to rebut the writings of bourgeois industrial sociologists by re-coupling studies of the workplace with the political economy of class relations (Littler, 1982; and in this volume; Thompson, 1983; Brown, 1984; Open University, 1985), the appearance of Labor and Monopoly Capital stimulated numerous empirical and historical studies, the majority of which have addressed one or other of its two central themes: deskilling and strategies of management control (e.g. Zimbalist, 1979; Wood, 1982; Knights et al., 1985; Knights and Willmott, 1986).

For Thompson (1990) there were four constituents of Labour Process Theory: 1) its focus of analysis, which privileges the role of labour and the capital-labour relation; 2) the logic of accumulation "which forces capital constantly to revolutionize the production process" (p. 100); 3) the control imperative, once "market mechanisms alone cannot regulate the labour process" (p. 100); 4) the existence of antagonistic social relations between capital and labour.

Although control may be accounted as a universal imperative within the context of capitalist mode of production, its particular forms of manifestation and concretization vary along particular historical and social contexts. Thus, there is no privileged and a priori determined structural relation between control or resistance, as defended by Thompson (1990, p, 102)

the core-theory framework makes intelligible the general structure of relations between capital and labour in the workplace. It can enable broad trends to be identified pertaining to specific dimensions of those relations. In addition, it offers the possibility of setting boundaries and points of intersection with analyses of other social relations. However, the form, content and historical development of changes in the labour process have to be established empirically, rather than 'read off' from any general categories. There are no specific imperatives in the spheres of control, skill or indeed anything else.

In a way Burawoy (1979) had already made that clear. Further developing the LPT tradition, he made a remarkable contribution by elaborating on the dialectics of control and resistance by bringing to light the issue of consent of the worker to managerial controls inside the labour process (THOMPSON; SMITH, 2010). While realizing an ethnographical study in a factory, he tried to understand: how consent is forged in the shop floor, and how workers' games are a keystone to understand consensus. According to him, capitalist exploitation rests upon two important processes: the <u>obscuring</u> of exploitation and the <u>securing</u> of surplus value. He demonstrates that consent plays an important part to guarantee Capital reproduction.

Therefore, authors from Labour Process perspective started paying close attention to the so-called indeterminacy of labour, i.e., in how to extract the maximum of workers' labour potential. Paul Thompson, one of the most well known theorists of this perspective, has argued that still the core of Labour Process Theory is this indeterminacy, and not any specific ideas from Braverman with respect to deskilling and managerial controls (THOMPSON & O'DOHERTY, 2009; THOMPSON, 1990). In his words:

> If, however, we examine the major formative theoretical inputs from Braverman, Edwards, Friedman, Burawoy and others, we find a different core. This concerns what Littler refers to as 'the central indeterminacy of labour potential' (1982: 31). The social relations into which workers enter to produce useful things become a capitalist labour process when the capacity to work is utilized as a means of producing value. This rests on the capacity of capital to transform labour power into labour for profitable production, and therefore on the unique characteristics of labour as a commodity. (THOMPSON, 1990, p. 99)

> The core [of Labor Process Theory] referred to a control imperative given that market mechanisms alone cannot address the indeterminacy of labor (the conversion of labor power into profitable work), rather than specifying a particular control strategy (THOMPSON & O'DOHERTY, 2009, p. 101).

Although Labour Process Theory remains as an important *locus* of debate regarding the understanding of Capital and Labour contradictions in the contemporary society, congregating a large community of researchers worldwide, with its annual conferences and publications, its postulates have been subject of critique, especially regarding the issue of subjectivity (PAÇO CUNHA, 2014), giving room to new streams within the field of critical organization theory. One of them, which has been increasing along last decades, is the so-called Critical Management Studies (CMS).

The first use of this term goes back to a book launched by Alvesson and Willmott in 1992 (GREY & WILLMOTT, 2005). Its origins are linked with Labour Process's limitations, more specifically with its "inadequate theorizing" of the so-called "missing subject"[2], as put by Thomas (2009, p. 171). According to this perspective, the main LPT's limitation was not to conceive of the worker as an "active agential subject who is capable of manoeuvring between different subject positions." (THOMAS, 2009, p. 171). Within this stream, studies have searched to illustrate the various ways in which organizations attempt to produce certain identities or 'subject positions':

> Through a range of techniques of discipline, for example, performance appraisal (Townley 1993), career structures (Grey 1994), mentoring (Kosmala and Herrbach 2006), strategy (Knights and Morgan, 1991), Total Quality Management (TQM) (Sewell and Wilkinson 1992), and Management by Objectives (MBO (Covaleski et al. 1998), individuals are subjugated to these subjectivities through forms of control and dependence, and by which they come to know themselves (Foucault 1982). Thus, disciplinary technologies work to conjoin an individual's notion of self with the organization's values and goals such that the individual participates in their own subjugation, removing the potential for opposition (Sewell and Wilkinson 1992). (THOMAS, 2009, p. 171)

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2   In Paço Cunha (2014) one can find interesting ponderations in relation to the (im)pertinence of this critique.

CMS' authors claim to be free from a dominant perspective, trying to keep an open mind on post-Marxist theoretical contributions. Alvesson, Bridgman and Willmott (2009) conceive Critical Management Studies as a pluralistic movement which has "benefited from the absence of any dominant or totalizing approach" (p.8), claiming that:

> Its focus is 'management' not as a group or as a function but as a pervasive institution that is entrenched within capitalist economic formations. Its concern is with the study of, and sometimes against, management rather than with the development of techniques or legitimations for management. Critical of established social practices and institutional arrangements, CMS challenges prevailing relations of domination – patriarchal, neo-imperialist as well as capitalist – and anticipates the development of alternatives to them (ALVESSON, M. BRIDGMAN, T. & WILLMOTT,2009, p. 1)

In Brazil, although there is not such a clear stream division between LPT and CMS, we certainly have authors who have been approaching organizations critically, such as Faria (1985, 2004, FARIA; MENEGHETTI, 2011), and Motta (1984, 1986, MOTTA; BRESSER-PEREIRA 1988, MOTTA; ALCADIPANI, 2004). Both have approached organizations through a broader perspective, which incorporates authors from various traditions such as Marx, Weber, Freud, and also Foucault, casting light on the social domination and power relations in and around organizations.

With this paper, we aim to contribute to this collective effort by presenting a case that might bring light to the consent formation in the shop floor and the role of intellectuals in this process. We are going to use Gramsci theorization as a guideline to understand such processes. In doing so, we will be following Alvesson and Deetz (1998) recommendation for new authors to develop critical accounts based on authors such as Gramsci.

As pointed out by Ortiz (2006), we will assume that Gramsci's theory is a dated theory, but not outdated. Thus, it is important to stress that, even though his works were written in the pre-first World War European context, a vast amount of his ideas and concepts are still valid and necessary for the comprehension of contemporary phenomena. Among them, it is

possible to highlight his concerns about the critical thinking and about the absorption of cultural ideas needed by a social revolutionary movement (COUTINHO, 1989). In doing so, Gramsci deals with a problem that, in accordance with Coutinho (1989), was neglected by Marxist theorists of his period, especially those related to a more economic-based approach, which used to believe that the material contradictions by themselves, i.e., without the necessity of an ideological and cultural intermediation, would lead Europe to socialism and, eventually, to communism.

POSSIBLE GRAMSCIAN CONTRIBUTIONS FOR ORGANIZATION STUDIES

Gramsci presents a very particular perspective inside Marxism. Lowy (2017) defends that the Italian author presents an anti-positivist version of Marxism, which is in strong opposition to the main streams of Second and Third Internationals. He is one of the theorists for whom the conditions to overcome capitalism and its inherent contradictions should be sought also in terms of an intense work of cultural preparation of the working class, i.e., the defeat of capitalism depends on a battle that will be tacked also in a subjective field. In this token, Gramsci also realizes that the dominant group is constantly seeking to achieve an active consensus over the dominated population as a *sine qua non* condition to the maintenance of power. The consensus acquisition is also called Hegemony. Such hegemonic managerial forms of totalizing control by consent are resembled in the contemporary work environment, for example where 'total quality management' (TQM) principles have been implemented, alongside employee engagement schemes (see for example: KNIGHTS & MCCABE 2000).

Among the various themes discussed by this Italian theorist, we believe that his studies in relation to intellectuals and their roles in the hegemonic construction could offer a rich theoretical framework for social scientists interested in developing organizational analysis, and argue that hegemony is inherently connected to domination and power mechanisms used by modern bureaucratic organizations. In our opinion, control mechanisms, based on coercion or consensus, were and still are the underlying theme in the history of modern organization theory, although presented in different versions by organization intellectuals such as Taylor, Fayol, Drucker or Ohno.

A first step for our discussion is to comprehend what an intellectual is and how this term was particularly conceived by Gramsci. In a first analysis, closely linked to common sense, it can be defined strictly by its intrinsic characteristics, i.e., by his/ her ability to think. Clearly it is a too vague and impractical definition, especially when one takes into account that most human activities are inherently teleological (MARX, 1996). In this sense, it is possible to put that every motivated human activity is, in some level, accompanied by the act of thinking, and, therefore, every social being can be considered an intellectual. In accordance with Gramsci (2004):

> (...) apart from the consideration that <u>a pure physical labour does not exist</u> [our emphasis] and that even Taylor's phrase of 'trained gorilla' is a metaphor to indicate a limit in a certain direction: in any physical work, even the most degraded and mechanical, there exists a minimum of technical qualification, that is, a minimum of creative intellectual activity. (p. 18)

Hence, in order to differ from common sense perspective, it is important to highlight that, when we talk about an intellectual, we talk about a specific group of people who have a particular function in the social (re)production. For Gramsci (2004, p. 18), "all men are intellectuals, one could therefore say; but not all men have in society the function of intellectuals".

Thus, being an intellectual means to belong to a given social position: intellectuals are people who (legitimately and in a particular social context) exercise a "directive and organizational" function, "i.e., educative, i.e., intellectual" (GRAMSCI, 2004, p. 25); these functions, as we will see, are directly linked to the process of consensus creation.

Gramsci (2004, p. 15-16), discussing the main forms of intellectual in the historical process, stresses two of them, as follows:

> 1) <u>organic intellectuals</u> - that come to existence with every "essential" social group which emerges out of history, whose functions are: to give "homogeneity" and "awareness of its own function not only in the economic but also in the social and political fields" (GRAMSCI, p. 302).;
>
> 2) <u>traditional intellectuals</u> - who are "already in existence and which seemed indeed to represent a historical continuity uninterrupted even by the most complicate and radical changes in political and social forms" (GRAMSCI, p. 302).

As seen, it is possible to stress the existence of two kinds of intellectuals, who emerge out of different contexts. The first, the organic, is associated to all essential groups that come out of history, while the second is related to pre-existent intellectuals, who represent the historical continuity, not corrupted, even considering radical transformations in the political and economic structure. It is possible to notice a contentious relation between these two groups. As pointed by Gramsci (2004, p. 19):

> One of the most important characteristics of any group that is developing towards dominance is its struggle to assimilate and to conquer 'ideologically' the traditional intellectuals, but this assimilation and conquest is made quicker and more efficacious the more the group in question succeeds in simultaneously elaborating its own organic intellectuals.

Burawoy (2001, p.12) defends that the relation between these two categories of intellectuals, the organic and the traditional, are based on the existent relation between the intellectual and the class represented by him / her:

> Intellectuals are of two types: organic and traditional intellectuals, distinguished by their relations to the class they represent. Organic intellectuals are those that share class experience with those they represent, articulate that experience in political terms. Traditional intellectuals stand apart from their class in order to represent its universal interests. Organic intellectuals mobilize subordinate classes while traditional intellectuals reproduce the hegemony of dominant classes.

This role played by them, linked to hegemonic reproduction and class domination, is described by Gramsci as follows:

> The intellectuals are the dominant group's 'deputies' exercising the subaltern functions of social hegemony and political government. These comprise:
>
> 1. The 'spontaneous' consent given by the great masses of the population to the general direction imposed on social life by the dominant fundamental group; this consent is 'historically' caused the prestige (and consequent confidence) that the dominant group enjoys because of its position and function in the world of production.

2. The apparatus of state coercive power that 'legally' enforces discipline on those groups who do not 'consent' either actively or passively. This apparatus is, however, constituted for the whole of society in anticipation of moments of crisis of command and direction when spontaneous consent has failed. (FORGACS, 2000, p. 306-307)

In such a context characterized by different groups representing different collective interests, the role of intellectuals is characterized by their contributions to the hegemonic domination. In this token, the supremacy of a group (or class) in relation to others subordinates strata (or classes) happen in two ways: as intellectual *domination* and *leadership.* In the fist case, supremacy is assured by the use of force and by the use of repressive apparatus; while in the second case, it involves the development of cultural and moral values that give directions for both those in charge and their subordinates. Thus, it is possible to affirm that, in relation to hegemony, supremacy is guaranteed by domination and leadership. In this sense, Gruppi (1978, p.70) defines hegemony as: "the capacity to unify by ideology and keep united a social block which is not homogeneous, but marked by deep class contradictions". This fits well with Gramsci (2001, p. 247) synthesis by which hegemony means force plus persuasion.

In our view, these concepts can be very useful for understanding organizations and its relations to society, once that the dominant group's supremacy (through domination or leadership), within a context of contradictions between capital and labour, is essential for the maintenance of *status quo* in our system of social (re) production. In the organizational world, domination, meaning coercion or force, is daily expressed and manifested especially by threat of unemployment by constant surveillance and by different process of punishment available in organizational *locus* (such as verbal warnings, suspensions, relocation, exclusion from profit sharing programme, fines, and other working penalties). Leadership, by its turn, is developed with the help of business schools and also by ordinary practices of managers and supervisors on duty.

Gramsci (2001), while discussing the power of Fordist organization and Americanism in modern society. Foresaw the importance of managers in development of hegemony: which

"is born in the factory and requires for its exercise only a minute quantity of professional political and ideological intermediaries" (p. 248).

One important point that should be taken in high account in a paper inspired by Gramsci's work is the fact that he never lost sight of consensus as a unifying force of diverse social groups which are in relation to each other. Thus, consensus plays a key role in Gramsci's discussing of Fordist hegemony:

> Recall here the experiments conducted by Ford and the economies made by his firm through direct management of transport and distribution of the product. These economies affected production costs and permitted higher wages and lower selling prices. Since these preliminary conditions existed, already rendered rational by historical evolution, it was relatively easy to rationalize production and labour by a skilful combination of force (destruction of working-class trade unionism on a territorial basis) and persuasion (high wages, various social benefits, extremely subtle ideological and political propaganda) and thus succeed in making the whole life of the nation revolve around production. (GRAMSCI, 2001, p. 247-248, our emphasis)

It is important to notice that this author calls attention for the proper balance between coercion and consensus, while discussing the high wages policy implemented by Ford:

> It is an obvious reflection that so-called high wages are a transitory form of remuneration. Adaptation to the new methods of production and work cannot take place simply through social compulsion. This is a "prejudice" which is widespread in Europe and even more so in Japan, which cannot fail before long to have serious consequences for the physical and psychic health of the workers. It is, furthermore, a prejudice which has its roots only in the endemic unemployment which has been a feature of the post-war period. If the situation were "normal", the apparatus of coercion needed to obtain the desired result would involve more than just high wages. Coercion has therefore to be ingeniously combined with persuasion and consent. (GRAMSCI, 2001, P.272-273, our emphasis)

In the light of nowadays reality, the above passage sounds as a realized prediction. Then, it seems clear that there has been a long time since capitalist society started balancing wisely coercion and consent, as indicated by the growing interest in and adoption

of management-inspired, non-union forms of employee 'involvement' (MARCHINGTON & WILKINSON, 2005), including HRM and TQM practices such as suggestion schemes, autonomous work groups, job enrichment, quality circles and *kaizen.*

In some sense, while theorizing about intellectuals in modern organizations, it is also possible to work with Gramsci`s theoretical framework in order to develop a better grasp of work organizations` dynamics and players. For example, while analyzing North-America, Gramsci (2001) made clear that there is a relation between man and his socioeconomic context. He claimed that: "In America, rationalization has determined the need to elaborate a new type of man suited to the new type of work and productive process" (p. 248). Further he complements this idea by saying that: "(…) the new methods of work are inseparable from a specific mode of living and of thinking and feeling life. One cannot have success in one field without tangible results in the other" (p. 266). *Mutatis mutandis,* we believe that this idea can shed some light on one of the main roles of organization intellectual, i.e., creating ways to conceive reality, aiming to adjust behaviours to (new) socioeconomic demands. In other words, to persuade workers in favour of the organization.

In sum, it is possible to affirm that the intellectual is the representative of a specific social group, emergent or pre-existent, whose function is to show the "proper" way ahead, and, therefore, creating and maintaining consensus in favour of his group. In relation to the organizational life, it is possible to say that the consensus is enhanced through HR trainings and other techniques linked with ideological inculcation process (see for example FLEMING & SPICER, 2003), which, in the limit, seems to gain employees' subjectivities in order for them to transform all their potential into real production.

Based on Gramsci (2004, p. 21), one can consider the existence of two different strata of intellectuals in the organizational world. The first is characterized by those who work in headquarters – i.e., far from the front lines –, and are specialized in developing ideas to support front-line managers who are constantly looking for new ways of legitimizing market logic (shareholder's logic). They are represented by those intellectuals whose function is

related to the creation of a general level of social homogeneity and awareness of functions for a dominant social group (2004, p. 21). The second category of organizational intellectual is represented by "a more modest stratum of 'administrators' and propagators of the existent, traditional and accumulated intellectual richness" (p. 21). In our case, this category of intellectual is represented by formal leaders who are located in the front line and have to deal directly with employees of a specific organization. It is important to notice that not always these two strata of traditional intellectual are in accordance with each other.

For the study of the first kind of traditional intellectual, the researcher will find a good source of data in the ideas spread by the so-called "gurus" of Organizational Theory or Management Theory, who are those with distinguished positions and function in the circulation of new capitalist ideologies. On the other hand, for the study of the second kind of intellectual, one needs to seek for data within the organization boarders. We are going to focus on the second category of traditional intellectual. Taking this framework into account, we are going to present a case derived from our master degree data collection in order to illustrate how it can be used to understand critically employees' relations in organizations.

THE INTELLECTUAL AND ITS ROLE IN MODERN ORGANIZATION: A CASE STUDY.

The data hereby presented was derived from a master dissertation research carried out in an automotive factory located in São Bernardo do Campo, SP. The organization analysed, from now on called X, is a well-known international company. When the data was collected (2004-2005), the company used to produce almost 4 million vehicles yearly, commercializing them in more than 200 countries and employing more than 416.000 workers worldwide. The industrial plant in which the research was carried out employed around 11.000 workers.

The research design used was the Case Study (YIN, 2001, p. 32), understood as "an empirical inquiry that: investigates a contemporary phenomenon in depth and within its real-life context, especially when: the boundaries between phenomenon and context are not

clearly evident". The aim of the investigation was to analyse social control mechanisms used by company X. We were especially interested in how the organizational discourse can be used as a control tool capable of influencing workers.

The data collection involved nineteen semi-structure interviews realized in locus with the following personnel: five managers, ten workers, and four members of the factory committee. The managers interviews were designed to identify the set of characteristics wished by the company, what was called "desired identity". The interviews with workers aimed to verify the absorption of this discourse. Lastly, members of factory committee interviews seeking to identify alternative discourses. All data were transcribed and further analysed.

Data analysis was carried out through Thematic Content Analysis (BARDIN, 2011). It was composed of three phases: reading, first analysis, final analysis. In the first phase, the texts were simply read. In the second phase a first codification was carried out, taking into account the most significant thematic related to the research scope. Finally, all themes identified were regrouped and analysed.

As a conclusion, we identified two different sets of discourse, partially absorbed by workers: the first discourse was called "Competence Discourse", and revealed the executives' desires for the so-called *collaborators*; the second discourse came from the factory committee members and presented their expectations for the so-called *fellow.*

The competences which *collaborators* should present were: esprit de corps; focus on results; focus on client; focus on quality; pro-activity; and flexibility. On the other hand, the characteristics that the fellow should present were: 1) a critical consciousness (meaning a consciousness about the conflict of interests in the organization); 2) solidarity; and 3) companionship. [3]

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3   All these findings were presented elsewhere (see MARTINS, 2012).

During the first phase of data collection, an interview with a company top executive called our attention. In such interview this person described a very important example of how the company tries to persuade workers to buy its discourse. We strongly believe that his narrative presents interesting evidence to understand the role of intellectuals in organization in light of Gramsci theory. Below we will present the content of such an interview which will be analyzed through the theoretical background presented above. Based on it, we argue that three main functions linked to HRM intellectuals will become clear in the analysis below: 1) legitimizing "market logic" in all organizational levels – i.e., the logic of shareholders; 2) obscuring and securing surplus-value (BURAWOY, 1979); 3) promoting consensus.

THE CONSENSUS CREATION PROCESS

Here we are going to present our interviewee, John[4] and his narrative about what to expect from workers and how to educate them to be more conscious about work relations. John is a HRM executive, whose life story is totally connected with "The Simulator" (an organizational game), as will become clear along the text. He has worked for X company for more than 20 years. He started as a mechanical apprentice in 1984. The company has educational centre in which John, the son of a former employee, had the opportunity to learn and start working for X Company. His professional career was reported as an outstanding one, typical of an exemplary employee who ascended well all the organizational positions. Among the various promotions obtained by him, two called our attention: in 2000 he assumed a HR supervisory position and became responsible for supervising organizational training; in 2003 he became responsible for the executive evaluation process and for the HR qualitative evaluation process of wage employees (which includes those located in administrative sector and some technicians).

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4   It is a fake name created to preserve the interviewee's identity.

While telling us about his life story, John presented three moments or visions about the organization – which are very revealing when compared to the aims of "The Simulator", considered the main project under his duty. In John's word:

> *I had various points of view in this company. One of them as a **labourer**; another as a **management staff**, by which one is closer to decision makers – as a labourer one is a little distant from those who have influence in the decision chain; and, eventually, as a [HRM] **executive.***
>
> *So, I will show you the first perspective. The first one, related to the period when I used to be a **labourer**. It was like follows: I had a conflictive impression. But it is important to contextualize. It was from 86 to 89, December 1989, and the view was that there was mainly a huge clash of interests between the organization and its employees. At that moment, the factory committee had been founded (it was founded in 1984). So, it was a moment in which the union participation was very intense; it was a moment of historical strikes and stoppages. I remember of a strike that lasted more than one month, almost two months (...). Then, it was a period of conflicts, in which direct confrontation was the way chosen to resolve problems, in spite of negotiation. I think that it is very important to take into account what that moment meant. So, firstly, a conflictive relation between capital and labour – personally, as a labourer, I used to get the impression that the only thing that the company offered us was a way of exploiting us, that we were not paid properly nether in quantitative terms nor in quantitative terms. Secondly, that the decisions took by the company were really ineffectiveness, in general. There was a constant critique about the decisions took by the company. Thus, from the employees' perspective, the company was always doing bullshit. (...) I used to see things like this: that all the time the company used to take bad decisions, with bad impact [for workers] and no effective result on real problems. It is important to notice that the complexity of the analysis was very simple. So, sincerely, I did not have a proper view – including due to my age and background.*
>
> *After that, as a **staff member**, my view changed a little. I still used to be a critical view about some positions took by the company, but comprehending the context of the decision-making, (...) comprehending the set of data utilized for the company to take the decision.*
>
> *In the last stage, as an **executive**, I could grasp all the difficulties involved in the decision-making process, in a context of such instability as the Brazilian context of that time.*

In sum, three were the perspectives presented by John. The first linked to the period in which he was a blue-collar worker and the last linked to his "modern" perspective, as an executive. It is important to stress that these views are presented in an evolutionary line, which, in the limit, goes from a "naïve conscious" to a "critical conscious", as put by the

interview. This movement is curiously similar to the transformation sought by the organizational game called "The Simulator".

John reported that this programme was developed when he was the supervisor responsible by the company-training programme. According to him, "The Simulator aiming was exactly to develop a critical conscious in our labour force in relation to the decisions take by the company".

In accordance with a company's flyer, The Simulator "consists of a business game whose dynamics will provide its players with the possibility to experience, in a controlled atmosphere, the main interactions and processes related to the company". As reported by John, this training works like follows:

> *So, we take all the complexity of a business game and adapted it to a language that could... to a form and method that could be understood and played by the average worker. Practically 100% of our workers, either monthly or hourly paid ones, have taken part of this programme. So, I will mention a report... what does "The Simulator" is? It is a set of situations in which workers play a manager or a CEO position, and they need to take decisions aiming to be effective. So, there is a game composed by various parts. It is a game in which workers are competing in a market, and they have take decisions, including: increasing production, reducing production, buying more from suppliers, increasing stock levels, decreasing stock levels, all seeking to meet market demands. Some of them go bankrupt and need to take a loan. There is a set of possibilities. We do not allow them to get broken. We always help them to recover, but, in the limit, some of them endure financial difficulties.*

Taking into account the theoretical background proposed here, it is possible to see here how the dominant group, through its intellectuals, makes use of a technique in which market assumptions are transmitted through a business game. As a result, market forces have the potential (if the game works fine) to assume a key role in the analytical frame of its players, legitimating market logic. Therefore, a view in which the contradiction between Capital and Labour, such as in "naïve conscious", is left behind a view in which conflict leave room for cooperation due to a new conscious, now "critical", i.e., a conscious capable of figuring out all the decision-making complexity faced by those in charge of the business.

Taking Gramsci into account, it is possible to suggest the hypothesis that the willing to change someone's conscious through a game unveil an educative, directive and, hence, intellectual work. As a result, we find a "properly educated" worker; capable of grasp (or at least capable of accepting) the fact that what determines leaders' decision-makings are market forces.

Thus, we have the company, as explained by John, experiencing a competitive relation in a market of scarce resources. Acting under this market we have a set of market barriers, along with we find the well-know law of supply and demand, "freely" regulating the "free competition". In such a context, all important decisions aim to achieve "a good balance among all the interested parts" (i.e., shareholders, workers, suppliers, clients, and society) and to guarantee not only satisfaction but also the survival of all interested parts. Moreover, and amazingly, they achieve this aim by: "i*ncreasing production, reducing production, buying more from suppliers, increasing stock levels, decreasing stock levels, all seeking to meet mark demands".* Finally, it was designed to account all "main interactions and processes that integrate our corporation".

As seen, what is perceived by the "naive conscious" as a political decision is perceived by the "critical conscious" as a technical decision, or a market decision if you will. In this process, the role of those who once appeared as "enemies", managers in general, appears now as the main responsible for organizational survival and for the satisfaction of all interested parts (including workers). As put by John:

> *At the end of the simulation, I used to look for the participants in order to listen to them. There was a report, given by a worker for the director in charge, the vice-president, responsible for the technical area of truck production, Mr. Fulano [fake name], who marked me. He said: "see, Mr Fulano, before this game I used to think that all decisions taken by you from the top, aimed to harm us. After this game, I started grasping that the decisions you have to take are not easy at all. Besides, I could see how difficult is to get a good balance between all interested parts, considering shareholders, workers, and clients interest, without losing sight of what society wishes from the company.*

Through this game, it is possible to notice the presence of two very important processes for the consensus acquisition in a capitalist context, stressed by Burawoy (1979),

i.e.: the obscuring and the securing of surplus-value. The first happens when the company tries to hide the idea of exploitation during the working process. Actually, the game seems to avoid the labour process, not recognizing the important role played by worker during the working process to form the value. There is no surplus value, but only profits derived from CEO during decision-making process. Therefore, there seem to be recognition of the money invested by capitalists, as if it could extract value out of the factory. In a great degree, social relations are *fetishized* by the game. It is important to notice that the production process does not appear as a central element. Therefore, all the exploitation process unveiled by Marx is hidden. It does not seem important to know how this process is developed.

It is important to highlight that we are not saying that the decision-making process taken by managers in a contemporary capitalist context is not challenging and complex. In other words, the message behind "The Simulator" is not a vague and mere lie. The complexity mentioned by John is probably the element of truth promoted by the game. The complexity mentioned by John is probably the element of truth promoted by the game. Nonetheless, inasmuch as power and domination relations are concealed, it is turned into an element that falsify reality, by being a partial truth or lie, as one prefers.

What matters, hence, is the obscuring of social contradictions linked to capitalist system of production – essentially, the obscuring of the surplus extraction. The contradiction between the two main production players is hidden by the idea of "balance" seeking. The idea of conflict is linked with the "naïve conscious" that, which the help of "The Simulator", will be overcome by the "critical conscious".

The second process identified by Burawoy (1979), the process of securing surplus value occurs when the company representatives demand or impose in daily bases a constant and intense cooperation of their employees, not mattering whether by coercion or persuasion. In the case in light, persuasion plays a central role, either by stimulating harmonic relations among organizational members of "our corporation" or by imposing the dominant group ideology over the rest, but coercion still plays an indirect role in this game by

the suggestive fate of those who did not adjust themselves to market demands, and, as a consequence, failed, or got bankrupt during the game.

FINAL CONSIDERATIONS

Intellectuals have played a central role in modern organizations. Such as a lieutenant in a battlefield, he is responsible for keeping his army united and following the goals determined by those in higher position. For so, ideology becomes a very important component, implying a specific way of looking at the world which, in the case in light, differs from what was called "naïve" perspective - one which recognizes the existent contradictions of social relations.

In this paper it was possible to identify how a training created by an organizational intellectual seeks to contribute to the process of show the "proper" way for its subordinates. The Simulator is a business game whose aim is to make workers not only to understand, but also to legitimate top executives` actions (even if at the expense of worker's terms and conditions of employment). Through a suggestive dynamic, surplus creation and, eventually, exploitation are omitted, what favours consensus development within the production process. The idea of a transition from a "naïve conscious" to a "critical conscious" is a keystone in consensus acquisition. In accordance with the interviewed executive, the first one is the view which sees "*a huge clash of interests between the organization and its employees*", while the second refers to one which allows people to "*grasp all the difficulties involved in the decision-making process*". Here is the fundamental point of this training programme. As a consequence, daily contradictions faced by workers are left behind in favour of a market orientation, the shareholder logic. All the injustice, inequality, and exploitation are not taken into account during the game; only competition in search of the best profit, in a context of scarce resources, is emphasized.

As any good ideology, the reality is turned upside down. The practical effect, and also the desired effect of this in the HRM professional perspective, is to make employees to consent before the directions given by top executives (in favour of shareholders). It is worth

noting that John affirmed that 100% of the factory took part of the training. This reveals how important was this programme for the organization.

In synthesis, we believe that the facts presented here support the assertion that one of the main roles played by HRM intellectuals in a modern for-profit organization is to promote consensus inside organization context, by legitimating market logic, i.e., the shareholder perspective, aiming to guarantee the conditions for the reproduction of the capital invested in the company.

Beyond what was here showed, we believe that Gramsci contributions can still provide more fruitful results. In this line, some questions for future discussions could be posed, like the following: would it be erroneous to affirm that creating ways of exercising leadership is the common (unsaid) thread of HRM theorists? Are "participative management" techniques no more than ways of obtaining "induced consensus"? Would it be possible for the HRM theorist to recognize and bring to light his partiality, i.e., the fact that in last instance his actions are directed to address the interests of the dominant group?

Finally, it is worth noting that for Gramsci (2004) the relation between intellectuals and production is not an immediate one, but, on the contrary, "mediated" by the whole social fabric, by the superstructure, where intellectuals are "functionaries". The study of the modern school of business could play a significant role in this way. Gramsci (2004, p.19) offered us a way to measure the complexity of the intellectual function. His formula would be: the more extensive the 'area' covered by education and the number of its vertical levels, the more complex is the cultural world, the civilization, of a particular state.

Following this, it is possible to infer the importance of intellectuals in the business world, given the growth of super-specialized formations offered by business schools: Human Resource Management, Marketing, Finances, Production, Quality Management, etc. This brings back the value of Gramsci (2004, p.33) prediction about school formation, as follows:

> Schools of the vocational type, i.e. those designed to satisfy immediate, practical interests, are beginning to predominate over the formative school, which is not

immediately 'interested'. The most paradoxical aspect of it all is that this new type of school appears and is advocated as being democratic, while in fact it is destined not merely to perpetuate social differences but to crystallize them in Chinese complexities.

The multiplication of types of vocational school thus tends to perpetuate traditional social differences; but since, within these differences, it tends to encourage internal diversification, it gives the impression of being democratic in tendency. The workers can become a skilled worker, for instance, the peasant a surveyor or petty agronomist. But democracy, by definition, cannot mean merely that an unskilled worker can become skilled. It must mean that every 'citizen' can 'govern' and that society places him, even if only abstractly, in a general condition to achieve this

As a consequence, it is for the critical organizational theorist to ask the following question: what is the compromise of business schools in relation to their students' university education: to foster a broad knowledge, of a humanistic kind, aimed to create politically engaged people with a humanistic conception of man, or to create intellectuals organically bounded to market or shareholder values?

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