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Talking Numbers – Governing Immaterial Labour

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In 1987 J.G. Ballard wrote in a novel: “*Television doesn’t tell lies; it makes up a new truth.*” This holds true for accounting and calculation as well. Today, personnel departments and management are desperately looking for strategies to attach *true* and measurable values to the immaterial resources that are at the core of immaterial labour and capitalism. Sociocalculation is a strategy for governing autonomous entities (subjects as well as organizations), first, by attributing *foot-less* calculations (see Power 2004) to different aspects of their performance and, subsequently, by booking these calculations into an abstract space, thereby constructing a population of actively competing entities. But the *truth* of sociocalculation can no longer be criticized the way a *strong* scientific and calculative epistemology can be criticized. More particularly, it does not require *exact, neutral and distanced* measuring – neither as a practice nor as a concept. Therefore, the distinction between *objective-scientific* measuring and *subjective-contingent* meaning is no longer its basic difference. Rather, it is the interweaving of both, whereby the social is made measurable and the measured becomes socially validated and meaningful. This social rationality implies a weak (or soft) authority of the numbers used – in contrast to the strong objectivity claims of the traditional calculative programme. Some critics may see the intertwinement of numbers with *soft* (often tacit) knowledge, e.g. when attributed to immaterial (non-physical, non-financial) values, as a weakness of calculation, as a flaw. In the following, I will argue that such a view is in many respects mistaken. This weakness of calculation turns out to be its decisive strength, allowing numbers and regimes of quantification to advance into social fields that, until very recently, seemed to be inaccessible to calculation. This holds particularly true for fields characterized by immaterial capitalism.

Immaterial capitalism and the crisis of traditional accounting

Both proponents of a *new* accounting (e.g. Edvinsson and Malone 1997; Eustace 2000, 2003; Lev and Zambon 2003; Working Group *Immaterial Values in Accounting* of German

Schmalenbach-Gesellschaft für Betriebswirtschaft e.V.) and critics of the *new* capitalism (Boltanski and Chiapello 1999; Hardt and Negri 2002; Gorz 2004) share the view that it is the knowledge and competencies of a corporation’s workforce as well as its social networks (its *software* rather than its *hardware* – technologies, production processes) that are at the heart of profitability and future success: “*The root of competitive advantage and economic regeneration lies in our ability to exploit immaterial things – so-called intangibles.*” (Mantos Associates 2004: 2). Intangible assets, particularly human resources, are supposed to represent a corporation’s true value base (Fried 2005; Moldaschl 2005). If man’s creativity and sociability are regarded as the origins of value creation, then the very non-calculability of these resources is developing into a fundamental problem for contemporary capitalism. The question arises of how to measure and evaluate the resources of immaterial capitalism (Hanlon, Dunne and Harney 2008). In the post-fordist settings of project- and knowledge work, the new centres of gravity of economic productivity, the workers’ *cultural baggage* (Gorz 2004) is becoming ever more important. Yet, the growing significance of labour’s immaterial qualities seems to be diametrically opposed to practices of traditional bookkeeping and accounting (as e.g. outlined by Weber). The value-adding potential of human work is an awkward *thing* to calculate. The increasing subjectivation of work seems to be at odds with established, traditional regimes of calculation focussing on the *calculation of things* (*Buchhaltung der Dinge*, see Vormbusch 2007) and principles of objectivity and external verifiability.

From this, two conclusions can be drawn: First, the hitherto predominant form of economic calculation, the *calculation of things*, is in deep crisis. Second, a fundamental change in the form and logic of calculation itself is required in the development of new approaches to calculating the immaterial. Drawing on the case of *Human Resource Management*, I will illustrate in the following how calculation is extended into fields that, until recently, were considered incalculable.

Sociocalculation in Human Resource Management

In particular the organizational field of personnel management is constituted by immaterial resources: the

knowledge and skills of the workforce, its motivation and flexibility, the uniqueness of its competences and social networks. Being immaterial and elusive, these factors cannot be physically measured and compared, and therefore escape those technologies that are informed by a traditional natural sciences approach to measuring. *Human Resource Management* stands for a new way of valuing employees and of systematically unfolding their individual working capabilities. It is particularly directed towards *entrepreneurial* competencies closely tied up with the individual and his or her unique experiences. As a starting point one could say that *Human Resource Management* draws on two kinds of knowledge simultaneously: *soft*, often implicit, experiential knowledge and *gut feelings* about employees, on the one hand, and knowledge commonly deemed *hard*, objective and valid across the borders of particular communities of practice (e.g. explicit knowledge about individual turnover, the acquisition of new customers, financial goal achievement etc.), on the other. *Human Resource Management*, thus, represents an interface of *hard* and *soft* knowledge. But its objective is not to transform soft into hard knowledge by measuring. Rather, the categorical difference between these two types of knowledge is being dissolved and synthesized in a new way. One core technology for doing so consists in placing peoples' performance in a human resource portfolio (see e.g. Vormbusch 2007). Portfolios like this regularly rely on attributing numerical values to peoples' performance in two dimensions: results (deemed *hard*) and capabilities (deemed *soft*).

Results reflect the individual's performance of the past. Not surprisingly, relevant performance parameters like financial results; if and how employees have been managed; if customers have been gained; if processes have been improved; etc. are quite easy to define and to measure. In an effort to supplement this record of the past and build a bridge of individual anticipations and efforts towards the future, a matrix of individual *capabilities* is constructed. This matrix can be perceived as an indicator of *future* economic performance as well as of individual prospects within the enterprise. Calculations of capabilities and prospects often include entrepreneurial parameters like *individual impact* (on others, on processes), *motivation*, *initiative*, and *passion*. Obviously, these parameters represent a subset of those virtues and competences that are supposed to be at the core of immaterial labour. Here we enter an area of highly subjective assessment: Does the employee have passion? To what degree does he or she have initiative? Is she able to motivate and to focus on the essential? A ma-

trix like this does not only allow for individual future career predictions. From the corporation's point of view it represents an indicator of the expected stream of future income, at the individual as well as at departmental level. Evidently categories like *passion* and *drive* are quite obstinate to being measured in the same way as financial results or resource consumption is measured. In order to make these *immaterial* performance parameters accessible to measurement, an array of calculative as well as communicative techniques is applied, the latter being even more complex and demanding for those who are concerned.

For example, the employee is being asked: "Do you see yourself as somebody who is really pulling somewhere? What do you think, where are you at the moment?" This kind of questioning is intended to open up a space for reflection, particularly self-reflection of the vocational self. Such valuations by the leadership and self-valuations of the self are typical topics of goal-attainment discussions. In the end, everybody involved has to agree upon a numerical value for each of the fields opened up in the matrix. To *agree upon* is obviously not a form of representing an external reality of performance and aspiration. But even if there is no objective yardstick for this in the traditional sense, the continuous stream of ongoing evaluations of manifold selves establishes a network of valuations in which every single valuation can be compared to others – by calculative means. Power (2004) calls this kind of *footless* measuring that is not rooted in a direct correspondence with an external reality *second-order measurements*.

Ultimately, all employees of a specific function (e.g. *engineers*, *project managers* or *technicians*) are located within a portfolio of human resources (see Odiorne 1984). Callon and Muniesa (2005) would call this portfolio a *screen*, Miller (1992) an *abstract space*. The position of each employee is determined by the total sum of their performance points in the two dimensions *results* and *capabilities*. Individuals are *booked* into a space made up by calculation thereby enabling a systematic comparison of performance histories and, even more important, anticipated performance futures. The human resource portfolio makes the relative performance and the relative capabilities of all employees of a kind visually accessible. It is used to discuss the future development, the development paths and the measures to be taken for every single employee of interest. This may be somebody who stands out, but also somebody more average – we are not only talking about the *best performers* here, but about the systematic calculation and evaluation of a substantial fraction of the workforce. And

each particular screen is compared to a mid-range projection of the future business fields, technologies and vocational requirements of every business unit involved. So the question is not only who might be good today in the light of the applied measures. It is also asked who could fill a vacant position at what point of time in the future and what developmental measures must be taken to expand her capabilities adequately. In the language of business, this is a portfolio that shows opportunities for investment in immaterial assets just the way an investment banker is looking at assets in the financial market (and, by the way, that's the intuition Odiorne had 1984 when he transferred the concept of *portfolio theory* into the hitherto highly subjective field of *Human Resource Management*).

The result is not just a portfolio of contemporary competences, but rather a field of possibilities for future development – based on a footless taxonomy as well as on individual aspirations and effort. Using calculation as well as discussion, this screen can be transformed by comparing it to one from another business unit, by changing the criteria for the screening of the workforce, by cutting off the best or worst performers and so on. Part of this, at least superficially, resembles Foucault's concept of subjectivation by *confession*. But while Foucault, in his analysis of Bentham's Panopticon, stresses the strict isolation of the subjectivated individuals, sociocalculation relies on numerically induced forms of communication, thereby unfolding, regulating, and ordering workers' competition for salary, promotion, self-realization, status, and economic security. The outlined taxonomy is a substratum for comparison of the functional value of every single employee in the population. But his or her functional value cannot be read from a standardized scale like the strength of an earthquake can be read from a Richter scale. The calculation of functional value is meant to be the beginning – and not the end – of a series of discussions, informed by numbers. *Talking numbers* is the language for assessing past performance and for governing individual futures. Here, calculative devices are not so much utilized to pin somebody down to a specific and immutable value, but to induce discussion about how to continuously work on the perfection of the self and how to adapt one's aspirations to an ever changing space of vocational possibilities.

Similar performance matrixes can be found in many other, different social fields, such as the university, the hospital, the Arbeitsagentur (Job Centre). Even though the matrixes may vary in their structure and organizational objectives, there still exist striking similarities between them, and the

ways in which the different fields in which they are applied have developed and are controlled. In conclusion, I would like to briefly characterize these similarities to further outline what I would call *sociocalculation*.

■ Why actually *sociocalculation*? The notion of calculation is here used not only because new social fields are being subjected to calculations that differ from traditional measurements of distance and density. The measurement of people and socially constructed attributes of nations have long been important domains of calculation. The point is that the productivity of sociocalculation does not so much rely on the transformation of the social into numbers (as the traditional natural sciences notion of calculation would suggest). Its productivity consists in the *negotiations* induced by the calculative positioning of knowledge objects within a population of functionally equivalent and competing entities: individuals, organizations, even nation states and their educational systems (see e.g. *PISA*). It is a social productivity formatted by calculation. Only the margins that constitute and stabilize the abstract space and its parameters remain immutable within the ordinary course of action. And these margins, most likely, are knowledge objects of other, super-imposed or subjacent screens.

■ Sociocalculation is a constructive rather than a reconstructive or even representative device. The aspirations of control cannot be achieved, if the main purpose of calculation is to objectively represent a reality outside the calculative space. Rather, a new model world is created by establishing a set of objectives and parameters that redefine the idiosyncratic goals and rationales that real-world-individuals may hold. The explicit goal is not to represent reality the way it is, but to construct a new field of possibilities motivating individual as well organizational aspirations.

■ Sociocalculation is necessarily selective. It has no intention to represent every aspect of reality; particularly not the many aspects that native inhabitants of a field may think are relevant. This selectivity, which could be criticized, if the criticism were oriented towards the *representational truth* of numbers, here, is not a weak spot, but a functional advantage. Sociocalculation is – on a certain level of everyday practice – easy and intuitively to understand. Its ability to open up complex negotiations in a very clear-cut frame makes it a *participative* technology of control.

■ Sociocalculation does not depend on actors' beliefs in it being an objective measurement tool. The outlined meas-

urements and calculations possess an empirical truth, which does not depend on beliefs in the *objectivity of numbers*. The numbers used in the case we studied were uncontested, not because their selective and intentional construction remained hidden from the participants. On the contrary, to a great extent, they remained undisputed, exactly because their constructed nature and contingency was at least partially obvious to the various actors, and objectivity claims, therefore, scaled back. A reflexive and communicative use of numbers does no longer need to deny the undeniable, the organizational, micropolitical and strategic foundations, of calculation. Sociocalculation, hence, is a *post-objective* technology.

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