Schumpeter

Digital Taylorism

A modern version of "scientific management" threatens to dehumanise the workplace

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FREDERICK TAYLOR was

the

Brett Ryder

most influential management guru of the early 20th century. His "Principles of Scientific Management" was the first management blockbuster. His fans included Henry Ford, who applied many of his ideas in his giant River Rouge car plant, and Vladimir Lenin, who regarded scientific management as one of the building blocks of socialism. Taylor's appeal lay in his promise that management could be made into a science, and workers into cogs in an industrial machine. The best way to boost productivity, he argued, was to embrace three rules: break complex jobs down into simple ones; measure everything that workers do; and link pay to performance,

giving bonuses to high-achievers and sacking sluggards.

Scientific management provoked a backlash. Aldous Huxley satirised it in “Brave New World” (1932), as did Charlie Chaplin in “Modern Times” (1936). A rival school of managers argued that workers are more productive if you treat them as human beings. But a recent article about Amazon in the *New York Times* suggests that Taylorism is thriving. The article claimed that the internet retailer uses classic Taylorist techniques to achieve efficiency: workers are constantly measured and those who fail to hit the numbers are ruthlessly eliminated, personal tragedies notwithstanding. Amazon’s boss, Jeff Bezos, insisted that he did not recognise the company portrayed in the piece. Nevertheless, it provoked quite a reaction: the article attracted more than 5,800 online comments, a record for a *Times* article, and a remarkable number of commenters claimed that their employers had adopted similar policies. Far from being an outlier, it would seem that Amazon is the embodiment of a new trend, digital Taylorism.

This new version of Taylor’s theory starts with his three basic principles of good management but supercharges them with digital technology and applies them to a much wider range of employees—not just Taylor’s industrial workers but also service

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workers, knowledge workers and managers themselves. In Taylor's world, managers were the lords of creation. In the digital world they are mere widgets in the giant corporate computer.

Technology allows the division of labour to be applied to a much wider range of jobs: companies such as Upwork (formerly oDesk) are making a business out of slicing clerical work into routine tasks and then outsourcing them to freelances. Technology also allows time-and-motion studies to be carried to new levels. Several firms, including Workday and Salesforce, produce peer-review software that turns performance assessments from an annual ritual into a never-ending trial. Alex Pentland of the Massachusetts Institute of Technology has invented a "sociometric" badge, worn around the neck, that measures such things as your tone of voice, gestures and propensity to talk or listen. Turner Construction is using drones to monitor progress on a sports stadium it is building in California. Motorola makes terminals that strap to warehouse workers' arms to help them do their jobs more efficiently—but could also be used to keep tabs on them.

As stopwatch management continues to conquer new territory, so too does pay for performance. The more firms depend on the brainpower of their employees, the more they are seeking to reward their finest minds with high salaries and

stock options. “A great lathe operator commands several times the wage of an average lathe operator,” Bill Gates points out, “but a great writer of software code is worth 10,000 times the price of an average software writer.” Many firms, including Amazon, apply the same Darwinian logic to their worst performers as well, in a process known as “rank and yank”: workers are regularly ranked by productivity and the weakest are culled.

The reaction to the *Times* piece shows that digital Taylorism is just as unpopular as its stopwatch-based predecessor. Critics make some powerful points. “Gobbetising” knowledge jobs limits a worker’s ability to use his expertise creatively, they argue. Measuring everything robs jobs of their pleasure. Pushing people to their limits institutionalises “burn and churn”. Constant peer-reviews encourage back-stabbing. Indeed, some firms that graded their staff, including Microsoft, General Electric and Accenture, concluded that it is counter-productive, and dropped it.

The meatware fights back

The march of technology can cut both ways. The rise of smart machines may make Taylorism irrelevant in the long term: why turn workers into machines when machines can do ever more? The proliferation of websites such as Glassdoor, which let employees review their workplaces, may mean that firms which treat their workers as mere “meatware” lose the war for the sort of talent that cannot be mechanised. And Mr

Pentland's sociometric badges have produced some counter-intuitive results: for example, in a study of 80 employees in a Bank of America call centre, he found that the most successful teams were the ones that spent more time doing what their managers presumably didn't want them to do: chatting with each other.

Even so, digital Taylorism looks set to be a more powerful force than its analogue predecessor. The prominent technology firms that set the tone for much of the business world are embracing it. Google, which hires a few thousand people a year from up to 3m applicants, constantly ranks its employees on a five-point scale. Investors seem to like Taylorism: Amazon's share price ticked upwards after the *Times*'s exposé. The onward march of technology is producing ever more sophisticated ways of measuring and monitoring human resources. And Taylorist managers are mixing the sweet with the bitter: Amazon's "Amabots", as they call themselves, seem happy to put up with micromanagement if they get a nice bonus at the end of the year. The most basic axiom of management is "what gets measured gets managed". So the more the technology of measurement advances, the more we hand power to Frederick Taylor's successors.

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