

my copyeditor, shepherded the manuscript with great care. Elyse Cheney, my agent, was a tireless and thoughtful advocate of the project as a whole.

My partner, Maggie Gray, was the book's best friend and my best dream.

Our daughter Zola was born four days after this book was completed, just as if she were the next chapter. In reality, she is the living proof of sweetness and light.

"No-Collar"

by Andrea Ross, 2003

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Jobs in Candyland: An Introduction

It is not work that men object to, but the element of drudgery. We must drive out drudgery, whenever we find it. We shall never be wholly civilized until we remove the treadmill from the daily job.

—HENRY FORD, *MY LIFE AND WORK*

GOOD JOBS DON'T FALL FROM THE SKY. NOR, IF THEY DID, WOULD we know what to make of them. Like the aliens who visited us in Cold War science fiction films, they might well be regarded as threats to our way of life. A good job is neither a product of nature nor an extraterrestrial life-form. It is one of the most highly crafted of human inventions, and at times, it seems as if all of history's hardest knocks and sweetest yearnings have gone into its making. Think of all the lives given up or ground down in the long struggle against slavery and indenture and then, once labor was free, how much more strife was needed simply to secure decent, safe conditions for factory workers. Then consider how close to the bone of drudgery the chores of white-collar routine had to be stripped before management gurus decided that office work needed a human touch. In fact, for most people, the right to enjoy humane work has been more difficult to attain than the right to vote, even though they are

given equal billing in the United Nations' Universal Declaration of Human Rights.¹

But what is the point of our never-ending search for work that is both satisfying and well rewarded? After all, for the vast majority, the gospel of work has always been viewed as a wily scheme, cooked up to motivate us to do unpleasant tasks. "If work really were such a good thing, then the rich would surely have found a way to keep it for themselves." Who could dispute the force of that pithy Haitian proverb? Yet we also know how important it has been for people to view their toil as worthy in and of itself and to believe that, one day, it might even add up to something of worth to others. The early Marx, who touted the dignity of labor as much as he deplored its exploitation, declared that man is "free only" when he "recognizes himself in a world he has himself created."²

Marx's phrasing was tailored to the producer society in which he lived, where most people still made or grew things. In today's high-wage countries that is no longer the case, and in our therapy culture there are many kinds of self-recognition that he might have deemed unworthy of interest. Although Marx had something more ambitious in mind than simply the creation of good jobs, the gist of his observation might easily be adapted to the toil of our times. In order to earn a livelihood, we are compelled to work hard at things that are beyond ourselves. If the effort and the product of that effort make us more human, if we feel like the owners psychologically, if not materially, of the product, and if enough of our coworkers feel the same way, then we are on to something quite rare, at least in a for-profit economy—so rare, in fact, that we can ill afford to dismiss any encouraging evidence that comes down the pike.

Inspired by curiosity, this book is a report about the New Economy workplaces that begged for attention in the last years of the twentieth century. Uncommonly flattering claims were made on their behalf. Against all the odds, and underneath all the hype, they appeared to be making a step in the right direction: They offered jobs to write home about. Yet the economic soil that hosted them is the unstable geology of our times and it was prone to move under their feet. Their nascent industry and the skills it bred would not be left to mature in peace. These workplaces quickly mutated under the shape-shifting pressure

of modern capitalism, proving to be a fast-moving study for the prospective investigator.

Named to reflect the nonconformist spirit of their work mentality, *No-Collar* documents the quixotic life of these workplaces, concentrating on new media companies in New York's Silicon Alley. Most commentators on this sector have focused on the new technologies or on the whizzbang New Economy with which they were associated. By contrast, my book is about how the employees themselves judged their workplaces. I had been a Silicon Alley-watcher for several years, so I had my own theories (some of them in print) about whether the industry's version of work was a true kernel of hope or just another con game. But I had grown weary of armchair opinion on this topic and resolved to find out for myself. After all, how often in the annals of modern work do we hear employees speak so enthusiastically about their jobs? The window of opportunity for someone to document and analyze this kind of workplace might well be short-lived, and so I undertook my study with the aim of learning from employees while they were on the job.

Accordingly, it is on the basis of those employees' own experiences that this book extracts lessons about the future of work in the trades we identify with the knowledge industries, though I believe they might also be applicable to other occupations. In my account of the no-collar people, who aspired to answer only to newly minted ideas and next-generation technologies, readers will also hear echoes of bygone workplaces. Work patterns and conflicts rarely disappear; they are always being recycled into new forms. Besides, how can the evangelists of the future pitch their wares if they cannot draw upon the thwarted dreams of the past?

Time to Change

However dubious its worth to the mass of the population, each new gospel of work opens an inspirational door for some fraction of society to push beyond its current lot in life. The much vaunted Protestant work ethic meant very little to those driven by hunger and want into the factories and mills of the Yankee industrial revolution. Nor did it make much headway in the antebellum South where the solid

paternalism of plantation slavery held sway. But for a good portion of the nineteenth century, the secular formula of this ethic—improving one's station through hard work—brought a real sense of opportunity and purpose to independent artisans, freeholders, and small business proprietors who could see a clear path to betterment through their own punctual toil, thrift, and perseverance. Their success was promoted as a model for society as a whole, and their example inspired a flood of popular tales and tracts (Poor Richard, Horatio Alger, Samuel Smiles, Peter Parley, the McGuffey readers) about the virtues of hard work. A distinct kind of heroic praise issued from intellectuals like Emerson, who eulogized that “a man coins himself into his labor; turns his day, his strength, his thoughts, his affection into some product which remains a visible sign of his power.”³ Like Marx, Emerson was influenced by Romantic ideas about the many-sided, Renaissance dimension of artisanal work, and he believed that the free development of individuality could be realized only through the labor of self-mastery—an idea of especial importance to the growing republic.

Though this work ethic was a Northern European import, the local opportunities and rewards it wrought attracted wave after wave of emigrating artisans. Nowhere was the belief in self-improvement more exalted than in an America still tied to its republican faith in the virtue of small property holders. Nowhere has nostalgia for the heyday of the independent owner-operators run deeper or with more spirited sentiment. Sympathy for the small guy, or regret for his demise, is the bedrock of 90 percent of American popular culture. For every occupation and every profession, there is an edifying story to be quarried about lone mavericks looking to upend some large, diabolic organization through their native wit and zeal.

It is easy to see why. However romanticized, the self-reliant culture of the workshop artisans was gradually dismantled by the hiring ways and punch-clock accounting of the factory system.⁴ With the advent of monopoly plutocrats and vertical corporations at the end of the nineteenth century, the individual pathway to advancement was increasingly paved over. Business independents were now edged out of the competition; family farmers were squeezed by agricultural cartels; and free artisans, whose craft skills had been preserved through

early industrialization by union control over work rules and stints, were supplanted by the advanced factory techniques of scientific management.⁵ The key to assigning personal worth soon lay in the hands of managers and technicians, bound by the efficiency rule of the stopwatch and the cold tempo of high-volume industrial process. For the blue-collar worker, the gradual mechanization of the workplace diminished the ordeal of physical pain on the job, but at the cost of reducing the worker to a servo-mechanism. Office automation eliminated many menial tasks but also introduced white-collar employees to a range of new physical ailments and nervous disorders. In a machine civilization, run by the clock and driven by the stern pace of the assembly line or the data flow, the bittersweet reward for decades of company service was a retirement watch—a ritual to acknowledge that employees' time was finally their own, no longer controlled by manager or machine.

In 1972, a wildcat strike at General Motor's Lordstown assembly plant in Ohio drew a great deal of public attention for the nature of its protest against the inhumanity of the work pace. At an assembly line speed of 101.6 cars per hour—one vehicle produced every 36 seconds—the Lordstown line was the fastest in the world. Its labor force and its local UAW leaders were exceptionally young (“an average age of 24 or 25,” and “mustachioed, hip-talking, long-haired, pigtailed and bell-bottomed” in the words of a *Time* editorial). During the strike, they exhibited attitudes (“irreverent of all decision makers,” according to *Time*) previously associated with the middle-class students and other refuseniks who had made their mark on the mores of the 1960s. For the most part, theirs was not a grievance over hours and wages. It was a protest against the *quality* of work, and it flew in the face of their parent union's contract with GM, which promised high productivity and labor peace in return for high wages, typical of the postwar compact with corporate America.⁶

The Lordstown strike was provoked by line speedup and by resentment at the activities of GM time-study inspectors, but workers also expressed dissatisfaction with the form in which the company had offered “job enrichment.” GM had responded to grievances about the monotony of assembly line work by assigning workers a variety of tasks rather than slowing the line and redesigning the work process in

more stimulating ways. Like subsequent landmark strikes—the 1981 walkout by PATCO air traffic controllers and the 2000 Verizon dispute over the stressful demands of Internet time on infrastructure workers—Lordstown was about the human toll of work. Indeed, it was widely perceived as evidence that the ethos of Woodstock—with its protest against the authoritarian suppression of pleasure and its demand for creative expression in everyday things—was being embraced by working-class people. For broader statistical evidence of discontent, it was enough to point to the soaring rates of absenteeism, turnover, walkouts, and sabotage that were being recorded all across the manufacturing sector and beyond.

A year after the Lordstown strike, calls to humanize the workplace took an official form in *Work in America*, a report published by the Department of Health, Education, and Welfare. The report concluded that “a significant number of Americans are dissatisfied with the quality of their working lives. Dull, repetitive, seemingly meaningless tasks, offering little challenge or autonomy, are causing discontent among workers at all occupational levels.” The “alienation and disenchantment of blue-collar workers” was matched by “the disgruntlement of white-collar workers” and the “growing discontent of managers,” and the public purse was paying the physical and mental health costs of all of this chronic alienation on the job. *Work in America* also lamented the “anachronistic authoritarianism of the workplace,” which resulted in a lack of participation in decision-making on the part of employees. In recommending the “redesign of work” in ways that went far beyond job enrichment, the report deferred to the belief that “having an interesting job is now as important as having a job that pays well.”⁷

Federal recognition of the problem was bolstered by Studs Terkel’s influential 1972 book, *Working*. The widespread oral testimony collected by Terkel affirmed that meaningless work does “violence to the spirit” as much as to the body. A Lordstown unionist, for example, expressed disdain for “the almighty dollar” and spoke more eagerly about his “rights,” “the human factor,” and “the social aspects” of the job. These sentiments were by no means confined to working-class malaise. For “the walking wounded among the great many of us,” Terkel asserted, “the blue collar blues is no more bitterly sung than

the white collar moan.”⁸ The HEW report and Terkel’s book appeared at the end of the long postwar boom, a period that turned out to be the twilight of the settled age of mass industrial production in the West. The landscape of work would be buffeted by storms of change over the next two decades, beginning with the massive impact of deindustrialization brought about by corporate outsourcing of manufacturing jobs. Turbo-driven by a shift in investment capital from manufacturing to finance, a new kind of service economy came into being, accompanied by a breathtaking increase in income inequality that would downsize the cherished American middle class to the very smallest among developed nations.

In the interim, corporate America tried to address the problem of the redesign of work through a long succession of management innovations, from “quality of work life” in the 1970s to “business process engineering” in the 1990s. The velocity of change in corporate life quickened into a blur. By the 1990s, the stable and relatively secure environment of the postwar workplace was almost a museum relic. The paladins of the business world were CEOs like Jack Welch and Al “Chainsaw” Dunlap, whose take-no-prisoners style of downsizing exhilarated investors and nauseated employees in equal measure. Fluidity, innovation, and reinvention were the flavors of the day, and Wall Street reacted to little else. In this increasingly financialized economy, executives ordered organizational changes simply to trigger a bounce in the company stock price. As a result, layoffs and cutbacks were legion, even in a strong economy. Even as company profits soared in the boom years of the 1990s, millions of employees were displaced, some of them blithely declaring their independence, as free agents, from the serfdom of the large corporations.⁹

Return of the Artisan?

Given the speed and ubiquity of these upheavals and the grievous toll they took on employees, what did a good job look like at the end of the millennium? Had any progress been made since the *Work in America* report in devising a humane workplace? Where would we look for evidence of personally fulfilling, even challenging, work that brought satisfaction rather than bitterness into the lives of employ-

ees? Were there jobs in Candyland? If the answer was yes, the least likely place to find them was inside a large American corporation.

By the 1990s, it was widely believed that the pursuit of the good life was no longer compatible with full-time employment in corporate America. For those raised during the Depression, the large corporate organizations were seen as havens of security for much of the postwar period. Cold War competition with socialism prompted managers to sweeten the pot of welfare capitalism. White-collar loyalty to the company was rewarded by a sheltering raft of benefits that seemed only to expand as union pressure brought similar gains for blue-collar workers. Beginning in the 1970s, this formula of mutual trust was rudely pushed aside and laid to rest in the course of a long season of mass layoffs, first in manufacturing and then in the white-collar ranks. By the early 1980s, the ax was falling hardest on middle managers, who accounted for between a third and a half of all the “demassing” or “delaying,” to cite two of the layoff euphemisms of the day.¹⁰ These layoffs were introduced as short-term responses to competitive pressure from Cold War junior partners, Japan and Germany, but they quickly became an obligatory sacrifice to the gods of cash flow and profit maximization. Eventually they were normalized as a prerequisite of Wall Street’s approved profile for the investment-worthy company. As a result, layoffs today are no longer the opposite of work in America. They are part of the definition of what work is, or what work is likely to be, in an economy increasingly marked by nonstandard or interrupted employment.

As large corporations lost the trust and respect of employees, they also provoked the scorn of a new breed of management gurus for their bureaucratic stagnancy. The work rules, hierarchies, and rituals of corporate organization were condemned for stifling initiative and creativity and for stunting the appetite of employees for opportunity and meaningful self-application. In *The Change Masters*, her influential 1983 clarion call for a “corporate Renaissance,” management theorist Rosabeth Moss Kanter lamented that “great art has not come out of the corporate sector; only dull monotony and Babbity.” “Between Horatio Alger and the recent past,” she observed, “we have had only Willy Loman and the man in the gray flannel suit—and stories about the smothering of creativity.”¹¹

Moreover, Kanter was among the earliest to recognize and praise the “more colorful and expressive” character of the high-tech companies in Silicon Valley and Route 128, “populated by the generation that gave us beads and plumage.” These companies were more informal and democratic in their organization and employee culture. They were faster on their feet and more nimble in responding to new market demands, new technologies, and new business problems. They appeared to promote a humane workplace not as a grudging concession to demoralized employees but as a valued asset to production. Kanter and her ilk lobbied hard against the Prussian militarism of the industrial corporation and in favor of companies that would meet these dual demands for reform—championing a humane workplace as well as increasing economic competitiveness—without overly compromising either.

These were the roots of the much publicized face-off between the New Economy and Old Economy in the 1990s. As rising productivity coincided with the Internet stock boom in the last few years of the decade, it became common to identify all digital or online companies as New Economy and all brick-and-mortar firms as Old Economy.¹² Although this demarcation was not always useful or accurate as a way of distinguishing between types of organizations, it is generally true that most of the Internet startups of the period did incorporate the reforms described above. Throughout this book, I use the term New Economy as a historical period marker and to acknowledge its conventional association with Internet companies.

The most prominent feature of the reform legacy was a work culture that embraced openness, cooperation, and self-management. Such habits of work had been discouraged in the pyramid organization of the postwar corporation, and they were verboten in the early high-tech echelons of IBM, RCA, AT&T, GE, and Westinghouse, which emulated military-style secrecy and discipline to the same degree that they pocketed research funding from the Department of Defense. Silicon Valley was less intimate with direct federal funding for research, though the growth of its companies was still fueled by lavish defense contracts. In the Valley’s technology startups, an anti-authoritarian work mentality took root, and over time it grew its own

modes and myths of independence along the way. In this book, that mentality is called no-collar, and its practitioners earned the label, in part, because of their self-conscious rejection of labels, not to mention status-conscious work uniforms and attitudes. Nonconformity was its earnest emblem.¹³

Before the rise of the Internet industries, this work mentality had been primarily confined to high-tech office parks in the outer suburbs. From the mid-1990s, it took on the bohemian trappings associated with the urban downtown areas where new media startups had begun to locate, triggering rapid industrial growth in center-city neighborhoods. In this urban setting, the no-collar work style of the bohemian artist, long established as the signature pariah of the nine-to-five world, proved as influential as the nontraditional habits of the computer programmers and engineers. Many of those who formed the pioneer backbone of the Internet sector had training in the arts and brought their own maverick brand of individualism. They also brought their experience in sacrificial labor and therefore a willingness to work in low-grade office environments, solving creative problems for long and often unsocial hours in return for deferred rewards. This aptitude was easy to exploit in companies that operated on seventy-hour workweeks and offered compensation partly through stock options. Geeksplotation among programmers in the suburban information technology (IT) and software sectors soon found its urban new media match in a phenomenon that I call the industrialization of bohemia.

In the best of these companies, however, employees wondered if they had found the employment equivalent of the Big Rock Candy Mountain. Compensation was ample, and it was supported by a broad range of benefits, including funds for personal development and college tuition. Stock options were a heady attraction not just financially but because they offered a sense of ownership in the workplace as a whole. The permissive workplace was designed both physically and philosophically to chase off the blues. Pioneering a brand-new medium involved work that was challenging, stimulating, almost irresistible. In the words of one of the employees who figures in these pages, "it was work you just couldn't help doing." Self-management was the rule of organization, and individual employees enjoyed near-

maximum control over their own time, work methods, and application of initiative. Released from the indignity of steady supervision, they found that they had adult responsibilities in a youthful environment free of lifestyle discrimination.

In addition to these congenial working conditions, the role of the machine in this workplace was no longer one of impersonal taskmaster but was restored to what many saw as its preindustrial function: a craft tool. The skills required to develop the new digital medium were in short supply, and there was a steep market demand for those in the trade. Some commentators saw the conditions as ripe for an artisanal revival on a scale not seen since the golden age of craft skills.¹⁴ Those with the know-how would belong to a new labor aristocracy, blessed with a strong hand in bargaining over the supply and price of their services. Along with the emergence of these digital artisans, the reappearance of the startup entrepreneur restored the business world's faith in independent, native gusto, just as the organization yes-man appeared to be on the out.

Since the crisis of high-volume manufacturing in the early 1970s, prophets of postindustrialism, such as Daniel Bell, had been forecasting that an information society, based on the enlightened rule of knowledge experts, was supplanting an industrial economy that had been directed ineptly and irresponsibly by capitalists and their stewards. IT was the key to the new benign order, and professional knowledge workers would prove more rational and humane in their planning and allocation of resources than the old ruling class had been.¹⁵ Bell's was an updated version of an old dream of technocracy (fifty years earlier, Thorstein Veblen had proposed "the revolt of the engineers" against "the Vested Interests"), which foretold the triumph of scientific efficiency over the wasteful reign of tycoons.¹⁶ It was a dream in which technology, rather than class conflict, would usher in a new realm of freedom for workers.

Bell's blithe vision of a more compassionate economic order was nipped in the bud by the harsh corporate restructuring of the 1970s and 1980s. Ultimately, the old capitalism was transformed not by engineers but by the so-called shareholder revolution, which brought an end to corporate managers' indifference to stockholders.¹⁷ With the new pressure to deliver value to investors at all costs, long-term

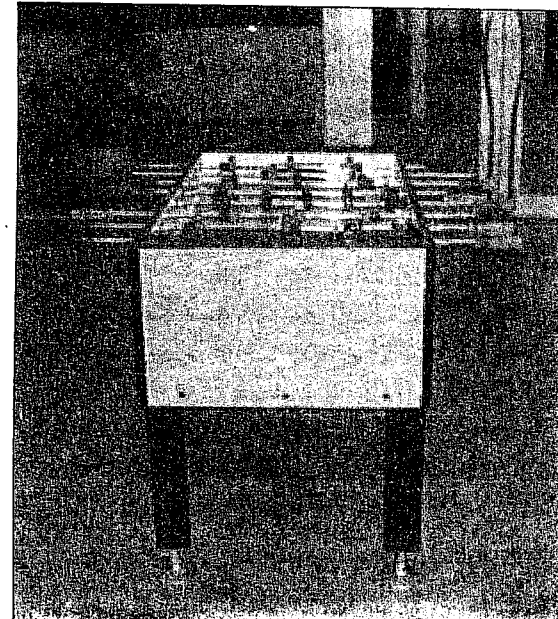
stability and rational planning were subordinated to profit maximization, market leadership, and stock inflation. Under these directives, the freedom of employees became a low priority. For the most part, the introduction of IT into the workplaces of the new capitalism resulted in the intensified surveillance of employees. In 2001, the American Management Association reported that 77.7 percent of companies acknowledged routine electronic monitoring of their employees' activities, a figure that had doubled since 1997.¹⁸ Software to regulate the speed of workstation users and to time the length of toilet breaks had become a standard feature of information work. Video-taping and reviewing of personal email and Web-surfing were becoming more prevalent. It turned out that supervision of workers' time and actions was even more systematic in the computerized workplace than it had been under the factory foreman.

If the human promise of IT was being realized anywhere, surely it was in the artisanal workshops of the Internet industries where routine operations had been shunted aside or temporarily deferred in favor of technical ingenuity and networking skills. Managers with no experience in this new media sector had little alternative but to forego control and cede power to the thinking hand of the employee at the console.¹⁹ Here, perhaps, was the kind of intellectually awake workplace that Kanter had called for, boasting switched-on employees for whom work had a redeeming quality not seen since the heyday of the nineteenth-century strivers. In such a workplace, the zeal of employees was more like a quest for personal and existential stimulation, closer in spirit to extreme sport or adventure travel than to the sobriety of the self-dependent man who saw himself as a pious and productive member of society.

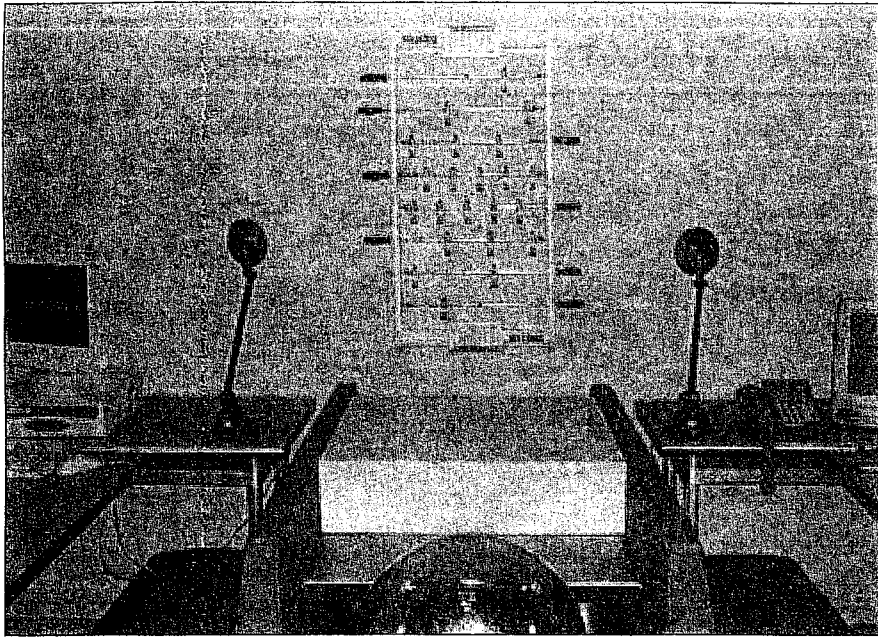
The best of these companies grew out of the distinctive community of early Internet users, hackers, technohobbyists, and Web enthusiasts, each bound by a fierce loyalty to shareware, freedom of information, and the ethos of cooperation. Their resident credo—a mix of anarchist and libertarian convictions—formed the cultural bedrock of the embryonic industry and offered some makeshift protection against the incursion of the profit motive. Anti-capitalist sentiment and posturing were prevalent within the workforce, along with bitter misgivings about the commercialization of the Internet. Even when

the industry was captured by venture capital and held hostage to IPO gold lust, those within the workforce held on to these convictions with surprising tenacity. Although it devastated their employment prospects, the Nasdaq crash in April 2000 was welcomed by many veterans who had regretted the forced takeover of their fledgling medium by MBAs. The Internet, they agreed, would go on changing the world, with or without the buccaneers on Wall Street.

All things considered, the work conditions of the Internet industries were a far cry from the cubicle inferno of white-collar spleen that Scott Adams pilloried in his Dilbert cartoons. "As good as it gets in corporate America" was a phrase I heard frequently from employees in the early years of Silicon Alley in New York and Multimedia Gulch in San Francisco. Of course, many of them had never worked in corporate America. Either they were too young to have had much adult work experience, or they had shunned any close contact with corporations for political or lifestyle reasons. Even so, their workplaces sounded like a credible response to decades of demands from labor advocates for a humane work environment. Office jobs of any stripe rarely earn laudatory reviews from youthful recruits who tend to start out low on the pecking order.



The Foosball Table as gimmick, Organic, New York (Photo by the author)



The Foosball Table as Art, Razorfish, New York (Photo by the author).

Initially, public response ricocheted between envy and skepticism. Media scrutiny of these new workplaces was abundant, even though it mostly fixated on dotcom gimmicks like foosball tables and basketball hoops. In next to no time, the Internet gold rush story sucked in all the available currents of public attention. “Follow the money” genres of reporting trumped all others. Reports about the new patterns of work, experiments in company reorganization, and the mutation in employee-manager relations were reduced to a sideshow in the media circus that focused on IPO fever, soaring stock valuations, and insta-millionaires.

Workplace analysis fared no better in the climate of opinion following the Nasdaq crash and the subsequent rash of company failures. Layoffs and crushing market losses dominated every news report from the New Economy, lining its coffin with statistics of ruination just as conclusively as the advancing stock prices had once studded its precarious media crown. Among other things, this near obsession with winning and losing numbers showed how deeply the spread of financialization had impacted media coverage itself. It was

becoming habitual to judge all human endeavors through their potential reflection in market value. What valuable lessons were being lost as a result? How many innovations were being thrown out along with the proverbial bathwater of yesterday’s stock valuations? These were common queries among employees in the surviving companies, confronted, as they were, with a mood of irrational pessimism about things digital that seemed to have all but supplanted the recent bubble of irrational exuberance.

The Reform Legacy

In the immediate throes of the New Economy recession, published accounts of the crash and burn of company fortunes were read as morality tales about the undoing of greed.²⁰ This book starts from an altogether different premise. It presumes that the most important influence of the New Economy will be on employees’ expectations of work conditions, not on the nature of investment or business opportunities. Even during the boom, most Internet business models were targets of scorn. By contrast, I found it was the social and cultural design of the workplace that stole the affection of employees because it promised to deliver some of that human self-recognition that Marx had written about. In interviewing hundreds of employees for this book, I found that what they prized most was not the prospect of fast money or the memory of stock options that had withered on the vine. Much more common was nostalgia for an irresistible work environment, one that they feared they may never enjoy again in their professional lives. Many vowed to pursue similar work conditions, or seek ways of creating them anew, even if their career paths led to corporate employment outside the orbit of the new media industries. Given the spirited passions that were attached to this oath, it seems likely that these expectations will have some impact on the landscape of work for years to come.

A typical observation about this came from Joni Becker, native New Yorker and Web development veteran of several Silicon Alley companies, who was sitting out the first year of the recession in London, subsidizing her digital art career by consulting for insurance companies. “Any manager worth his salt knew they had to empower us,” she

explained, “and everyone could see how difficult it would be to reclaim that power and start spouting out orders again. They saw it happen for a while, and they were relieved when the market reined us in. There was a lot of talk about the Old Economy fear of getting Amazoned, but I think the real fear in these other industries was about losing control to employees like us. Too many of us got a taste of the good stuff to stay down on the farm.” Eight time zones away, Max Filipacci, who learned programming on the job at a Bay Area agency, had a strikingly similar story. I interviewed him just after he turned down a well-paying job at a large financial services company for less money at a much smaller technology vendor (he was doing it “for the vibe”). “Workers behaving as if they are truly free and truly human,” he observed, “are a big threat to corporations, and you don’t need an MBA to figure that out.” Looking back on the Nasdaq crash, he summed up his experience: “What we learned was that society is not yet ready for us. Not ready technologically, for sure, but also company-wise. The digital age will come soon enough; that’s inevitable. Being human and free is what we have to work on; that’s the hardest part.”

At Razorfish, the New York digital consultancy where I did most of my research, employees had ample opportunity to sample work conditions inside their clients’ organizations. Like many of his colleagues, Jake Loury, a client partner who had been trained in dance performance, had not exactly prepared himself for a career where he would be in daily contact with Fortune 500 companies. As the recession spread across every sector of the economy, he was holding on tight to his job: “I’m still not sure that I belong here,” he admitted, “but I’m glad I’ve had the chance to see how corporations are run. When I get a little blue, I think of what it’s like elsewhere. What I’ve seen in other companies is a bunch of rats trapped in a room, poking to get pellets. Not to mention the drug testing, penalties for talking out of turn, and all the other disciplinary stuff.” Craig Kanarick, one of the company’s founders, confirmed that regular exposure to clients’ workplaces was an important source of morale for disgruntled employees: “When they come back from seeing other companies, they’re like, ‘I’m so sorry. I didn’t mean to say any of these bad things. I had to eat lunch in a cafeteria with 400 people, and everyone was in cubicles.’ And then they never complain again.”

One of the most strenuously promoted career paths in the New Economy was that of the independent contractor or free agent. Their control over time and work options was especially celebrated by liberation management gurus like Tom Peters, who famously referred to “the brand called You” as a profile that individuals are responsible for designing and marketing.²¹ For many corporate managers, however, free agency was a convenient justification for the withdrawal of job security. As a manager at AOL explained to me (shortly before his company’s own acquisition of Time Warner), “The Peters idea is all well and good, but pretty soon it merges with your typical neoclassical right-wing ideology to the extent that you hear would-be CEOs, and Harvard Business School professors and real-life CEOs saying things like ‘To give my employees job security would be to disempower them and to relieve them of the responsibility that they need to feel for their own success.’ The next step after that is when these managers begin to view employee benefits the same way—as an act of disempowerment.”

Several independents, who were successfully negotiating self-employment, do figure in the pages of this book. For the most part, however, I concentrate on employment in reformed companies, simply because I found they were the most popular jobs. These firms offered oodles of autonomy along with warm collegiality, much of the personal independence of the self-employed, plus all the benefits and monthly paychecks that come with a regular job, and so their employees often spoke of having the best of both worlds. Many were stunned to find out that a workplace could accommodate freedom and humanity, to use Filipacci’s words. These qualities were not readily apparent in society at large, nor were companies, especially publicly traded ones, known for promoting them in their capacity as corporate citizens. By contrast, what I found quite widespread among employees was the belief that some kind of improved, if not ideal, society could be pursued *within* a company. In the 1990s, this goal of creating a reconstructed, politically correct company became a fervent substitute for aspirations to social change outside of the workplace. While their younger siblings were using the Internet to launch an anti-globalization movement that protested corporate capitalism all the way from Seattle to Genoa, first-generation websters were inclined

to view their own companies as lustrous examples of how capitalism could be reformed from the inside.

All in all, the reformed companies of the New Economy fit snugly into the American grain of optimism about the more perfect society. The opportunity they provided for employees to reinvent themselves borrowed from the national heritage of utopian communities, while their appetite for spontaneity and self-direction owed something to the spirit of the bohemian commune. Most such efforts to follow values that cannot be practiced in the mainstream are short-lived, yet the influence of their example can instigate reform far and wide.

Business history is replete with examples of top-down reforming impulses. In the epoch of the company town, enlightened capitalists tried their own hand at planned communities; "human relations" management was developed in the 1920s to boost productivity by humanizing the workplace; and in the postwar period, corporate paternalism extended its benefit blanket at a pace comparable to gains in state welfare. Each of these examples of reform provided employers and managers a stronger hand in controlling the physical movements, psychological behavior, and loyalty of employees, while staving off the appeal of trade union solidarity or socialist leanings. There is no doubt that employers stood to benefit in similar ways from the reformed organizations of the 1990s, but they started out from quite a different bargaining position. They were operating within a milieu where common ownership, equality of communication, and distributed authority were all taken for granted by employees.

Like any other evangelical community that sets itself high standards of conduct, there were hidden costs of membership. The testimony collected in this book shows how and when employees bumped up against the limits of a humane workplace. Features that appeared to be healthy advances in corporate democracy could turn into trapdoors that opened on to a bottomless seventy-hour-plus workweek. Employee self-management could result in the abdication of accountability on the part of real managers and an unfair shouldering of risk and responsibilities on the part of individuals. Flattened organizations could mean that the opportunities for promotion dried up, along with layers of protection to shield employees from market exposure. A strong company culture was an emotional salve in good times but

could turn into a trauma zone in times of crisis and layoffs. Partial ownership, or stakeholding, in the form of stock options could give employees an illusory sense of power sharing, rudely shattered when they encountered the unilateralism of executive decision-making in layoffs and office closures.

Perhaps the most insidious occupational hazard of no-collar work is that it can enlist employees' freest thoughts and impulses in the service of salaried time. In knowledge companies that trade in creative ideas, services, and solutions, everything that employees do, think, or say in their waking moments is potential grist for the industrial mill. When elements of play in the office or at home/offsite are factored into creative output, then the work tempo is being recalibrated to incorporate activities, feelings, and ideas that are normally pursued during employees' free time. For employees who consolidate office and home, who work and play in the same clothes, and whose social life draws heavily on their immediate colleagues, there are no longer any boundaries between work and leisure.²² Their occupation becomes a support system for everything else. No one who held a New Economy job was immune to this biohazard, unlike in a traditional corporate organization, where it primarily affected only the senior managers and executives.

Utopian communities usually seek to withdraw from the mainstream in order to solve inequities bred under the prevailing economic rules. The companies in this book were in no position to do so, despite the short-lived, and wholly specious, proposition that the New Economy operated by an entirely new set of rules. For most employees, that entailed a confused encounter with the psychology of financialization. It was bad enough seeing your hard-earned skills lose their value in the labor market, as digital know-how became less exclusive or got outsourced to Eastern Europe and South Asia at discount rates. That was a familiar pattern in industrial history. But financialization brought new kinds of uncertainties. Work was no longer something you performed for a fair wage; it was an investment, an opportunity, an asset that you or someone else could leverage as a means to boost a stock holding. Nor was achievement or security tied to work performance; it was more likely determined by the story told by the daily stock indexes. It was small wonder that the family principles espoused

by many a company culture were regularly at odds with the story that Wall Street investors preferred to hear. In such moments, the fond pleading of employees and their advocates—"we are a company, not a stock"—was as ineffectual as the wall of a sandcastle before an incoming high tide.

When the accounting scandals at Enron, WorldCom, Global Crossing, and others threatened to engulf all of corporate America in the spring and summer of 2002, every effort was made to make it appear as if the corruption was limited to companies and employees visibly identified with the New Economy. Yet what Alan Greenspan called "infectious greed" was not a contained affliction, and it had taken a much wider toll. The widespread plundering on the part of executives, bankers, analysts, and speculators reflected a clear trend in the general economy. Productive work, as judged by the long-term needs of society or the economy as a whole, is increasingly passed over for business strategies aimed at short-term market yields and ready access to buyouts. Brands and stock prices call the shots, while production skills and jobs, no matter how high-tech or high-value, are viewed as dispensable.

Barring massive reforms of investor capitalism, this trend will only intensify. The no-collar employees who appear in these pages were not only in a pioneer office environment, testing the limits of the humane workplace. As avatars of uncertainty, bruised by the rough passage of market forces, they were also on the front line of economic profiling that was changing the character of work itself. These two conditions—the clement work milieu and the indulgent climate of binge capitalism—could not be easily separated. It may be tempting for some readers to imagine how the former might have developed apart from the latter, but that is not how it happened. In an exclusively market civilization, the *humane* workplace (with its feel-good stimulation and its tests of mettle) has taken precedence over the *just* workplace (with protection for all, democratic control over the enterprise, and assurances of security beyond the job). An alternative economic arrangement would eliminate the need to choose and would try to deliver both.

The No-Collar People

The white collar people slipped quietly into modern society.

—C. WRIGHT MILLS

IN THE TWILIGHT YEARS OF THE AMERICAN CENTURY, THE CHANCES of finding an adequate job appeared to be rising, for almost everyone. Even the wages of workers at the economic bottom, rudely excluded from the rewards of the long boom, were finally beginning to climb. In a skintight labor market, jobless levels dipped (in October 2000) to a thirty-year low of 3.9 percent. This was well below the 6 percent that the oracular Milton Friedman had deemed to be the "natural rate of unemployment," and inflation, contra Friedman, was nowhere in sight. Educated youth seldom had so many ripe opportunities. If you were fresh out of college and looking for a job that might quicken your mind or try your ingenuity, a career—not at all like your father's—with the future stamped on its brow, work that would not cramp your lifestyle and that might pay all your bills and more, then you probably would have made a beeline for an Internet company in an urban downtown. And if you wanted city living in a truly metropolitan vein, you would be employed somewhere in New York's Silicon Alley.

Between 1995 and the time the millennium party wound down, the city's new media sector had created almost 140,000 jobs (with 250,000 in the larger metropolitan area) and encompassed more than 8,000