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Abstract: This study focuses on the work experiences of employees, and on the changing relationships between employees and managers, in a mid-sized popular dance nightclub in a small western Canadian city. This nightclub had, in many ways, a unique organisational environment. Normative expectations about the quality of work in the food and beverage industry (de-skilled, highly standardised) did not initially hold. Employees developed an articulate and sophisticated culture that placed much of the training and decision-making responsibility squarely on their hands. However, internal and external pressures on management prompted the shift from a form of organising the workplace that could have been characterised as *responsible autonomy* to a more direct and autocratic form of control. This shift had the effect of destroying the organisational culture and stripping the employees of much of their responsibility for employee socialisation and customer service. The impact of these management initiatives on the employees, *clientele* and 'bottom line' of the nightclub is the major concern of this paper.

SUBJECTIVITY AND THE LABOUR PROCESS: A CASE STUDY IN THE RESTAURANT INDUSTRY

Mike Sosteric

> When white-collar people get jobs, they sell not only their time and energy but their personalities as well. They sell by the week or month their smiles and their kindly gestures, and they must practise the prompt repression of resentment and aggression. For these intimate traits are of commercial relevance and required for the more efficient and profitable distribution of goods and services. Here are the new little Machiavellians, practising (sic) their personable crafts for hire and for the profit of others, according to rules laid down by those above them.
>
> C. Wright Mills.

Traditionally labour process investigators have paid little attention to the service industries. The focus has primarily been on the labour process in manufacturing with some directed towards clerical and white-collar occupations. This situation has recently begun to change (Lowe and Oliver 1991; O'Connell 1994, Felstead 1991; Fuller and Smith 1991; du Gay and Salaman 1992; du Gay 1993) and with this change comes the growing recognition that we will need to modify our conceptual apparatus in order

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to comprehend the labour process in the service industries (Allen and du Gay 1994). Two key areas need our attention. First, we need to reject a conception of skills that focuses on transformation of the *natural* world as the only truly human activity (Marx 1987). Second, we need to discard, or modify, our standard metaphors, like mechanisation, routinisation and rationalisation, that have been applied to the other sectors of the economy.

Some branches of the service industry are best analysed using manufacturing metaphors. The Burger King assembly line (Reiter 1991) is one particularly salient example. However there are other areas where the analogies break down, notably those where customer and client interaction are allowed to extend beyond the superficial greetings. In restaurants, betting establishments (Filby 1992), grocery stores (Fuller 1991) and nightclubs, the character of the labour process changes as extended customer and client interaction become key factors in the production of value.

Unlike manufacturing, where the worker is dealing with inanimate nature, workers in the service industry deal with living human beings. This means that social interaction becomes one of *the* central dynamics along which to characterise various occupations. The nature of this interaction, for example, its duration and depth, provides a useful continuum along which to place service organisations when emotional exchanges, social banter, and witty repartee become included in production of value. A recent study by Filby (1992) describes the labour process in occupations where the length of service is measured in minutes and not seconds. His ethnographic account of a betting house outlines the importance of social interaction in setting the atmosphere and winning customer loyalty.

> 'A heavy emphasis is placed by the firm on "promoting the product". Profitability depends on cultivating a *clientele* which re-bets its winnings, retaining customers and keeping them happy is an important staff function . . . Giving individual customers recognition is one important step . . . A step further from simple recognition is the development of esteem. Staff typically bolstered the esteem of regular customers by playing up their foibles and interests'. (Filby 1992: 30).

The typical approaches to analysing skill and control become increasingly invalid as culture and meaning become key factors in the sale of the commodity. Instead of manual skills, social skills become paramount. Instead of physical strength and speed of execution, looks, charisma and the ability to negotiate meaning in the interchange become vital. Skill and creativity still exist, but the object of the transformations has shifted. A physical commodity may still be involved in the exchange. It may be difficult to separate the physical product from the emotional and social meanings that are attached to it. While in Filby's study, the 'product' could be narrowly defined as the 'ticket', the meanings that the employees attach to the ticket through their interactions with the client become an inseparable part of the commodity.

While there are differences between manufacturing and the service industries, there are key similarities: both continue within capitalist relations of production. As Thompson (1990) would say, the core of the labour process is the same. Thus we might expect that certain of the labour process advances, like a theorisation of control (Friedman 1977, 1990) and a historical theorisation of the subject (Knights and Willmott 1990; Knights 1990; Willmott 1990) would be useful for explaning both manufacturing and service labour processes.

In this study, I explore some of these concerns. Between 1989 and 1992 I conducted ethnographic research in a Canadian nightclub. I initially became interested in the venue because of the seemingly unique characteristics of the labour process in the organisation. The most striking aspect of work in the nightclub was that it was enjoyable. People liked working there and formed strong personal associations with each other and the nightclub. There was no overt conflict among staff or between staff and management. Employees brought their personalities and idiosyncrasies to work and found unique and enjoyable modes of self-expression in the workplace. There was none of the 'McNuggetized' form of personal servitude thought to be commonplace among low-tier service industry occupations (Krahn and Lowe 1983; Reiter 1991). However, a profound change took place as management became concerned over what they perceived as a lack of control in the nightclub. As they moved towards forms of direct control, the location became a fascinating study of the means that management used to eliminate the autonomy of the service staff. In the process of transformation, mechanisms of managerial control, the content of skill in the service industry, and the subjectivity of the worker were laid bare for analysis.

Methodology

Initial access to the setting was in the role of complete participant. However, over the course of the four years of this research project, I had the opportunity to experience all but Junker's (1960) fourth role, that of complete observer. Moving from complete participant to observer as participant was necessary in terms of acquiring information from management. Because of the rather profound alterations in the organisation of the workplace, simply observing the workplace culture would have been insufficient for understanding the organisational changes. After declaring my research interests, information about management was obtained from two primary sources. One was the human resource officer of the hotel and the other was an informant from middle management in the nightclub section who stayed with the club throughout the management initiatives. This shift along the continuum as the research conditions changed allowed the researcher to gather a wider variety of data, as well as to analyse the effects of each of the roles on the data acquired (Hammersley and Atkinson 1983).

Most of the data were gathered through participant observation. However, interviewing forms part of the methodological arsenal of this type of research and is most useful and appropriate when the research intentions of the observer are known. Like participant research itself, interviewing can provide a rich account of the work environment. Interviews also have the additional benefits of allowing the observed an opportunity to correct or add to the insights of the researcher (Whyte 1961).

I conducted a total of six semi-structured interviews with key personnel. Generally questions were devised prior to the interview tailored to the specific respondent. These were not standardised across respondents; and were asked in roughly the order outlined in the script. However, I encouraged the respondents to move off-track if the responses seemed important either to them or to the research. In general the interviews were unsurprising and usually corroborated the data from observation. However, they were valuable themselves for the rich personal experience that was crystallised in them.

All names have been changed to protect the members of the organisation.

Initial conditions

The nightclub, Club D, was of moderate size, employing between 35 and 45 individuals. It was part of a larger hotel complex which was itself part of a small chain of hotels. As a fashionable single's haven for a wide variety of ages its *clientele* came predominantly from the single middle-class and post-secondary student population. But professional football players and other individuals of 'status' also frequented the club as well as its fair share of hookers and pimps. It was a dance club, and the music it presented was primarily popular, trend-setting dance, rap and hip-hop with interspersals of rock and popular country. It catered predominantly to the young 'image' and status crowd and functioned as a 'meat market' or in Cavan's (1966) terminology, a sexual marketplace.

The primary reason for the club's success was simply that the customers were made to feel that they belonged. They developed emotional bonds with both the club and the servers. Experienced servers set up an elaborate customer service hierarchy and system of reward/punishment to hook potential patrons and encourage them to return and spend money. This hierarchy was based on two things: the amount that the individuals tipped and their suitability as potential regular patrons of the nightclub. The hierarchy began with tippers (and was subdivided according to how much individuals tipped), followed by non-tippers but considerate customers, followed by new customers, and ending with customers who treated the server with disrespect in one way or another. In the eyes of the customer, each of these levels represented a gain in status within the nightclub. A typical newcomer would not even warrant a glance from the server and

might have to wait until all of the staff's regulars had been served. However, as he or she became aware of the tipping requirement, servers introduced more rapid and courteous service. Particularly big tippers, or regular tippers, could even expect larger proportions of alcohol. As one bartender once said, 'yeah, the customer tips and all of a sudden they don't wait for drinks, and people (the servers) are talking and spending more time with them. It's amazing the change you see after that.'

Another part of the status game was the selective screening of customers that took place at the front and back doors of the club. Criteria for screening included the customers' overall appearance, their general demeanour, and the doorman's personal (and often biased) judgement. If the doorman judged the individual as unsuitable, he could use any number of excuses to deny entrance: a small rip in the jeans, dirty runners or lack of collar. Those who did not fit the general standards of the club had the dress code applied more strictly. Those who did meet the standards, and who had taken time to get to know the door personnel, were allowed to use the rear entrance.

The back entrance of the club was used exclusively as a VIP entrance. It relied on a good relationship on the basis of tipping or sociability. Access to the door was only given if the customer had something to offer to the individual giving access or to the club in general.

Privileged access and service in the nightclub combined to create an illusion of status and prestige. *Clientele* moved up the various levels as they became aware of their existence. Having done this they became the regulars. On some nights, servers could reasonably expect to spend over 80 per cent of their time providing service to regular customers.

Unlike the standard 'customer is always right' rhetoric that service industry employees usually internalise, employees at this nightclub did not see their role as servile and compliant. As one individual remarked:

> Most of the time, as in any service industry you come across a lot of people who are exceptionally demanding and exceptionally selfish in their requests and they don't take into account that you are not subservient nor are you there for their specific use. Sometimes you run into a lot of people who really just don't care and take advantage of that, taking advantage of your position. The customer is not always right but unfortunately the service industry has been drummed into that . . . Rule one, the customer is always wrong.

And another:

> Customers have been spoiled so long by places like Mcdonalds that now they think they're indestructible and that they can do whatever hell they want and you're not supposed to say anything.

Staff and servers were allowed to develop highly personalised service styles. Management never perceived this as a problem. They had an implicit understanding of the impossibility, and indeed the undesirability, of

standarising the service. If each bartender had a different personality and consequently attracted different types of customers, then the overall market coverage of the club was extended. With such a system as this one, many different types of individuals could be accommodated. The only characteristic that customers would have to share would be their taste in music.

Customers themselves were often aware of the attitudes and individual serving styles of the employees and seemed to appreciate the individuality this entailed. Many patrons were completely 'turned off' by the type of attitude that some establishments encourage. The stereotypical chatty and smiley server was often seen as a hopeless phoney. As one customer said: 'Some people do that [put on a facade], but you just know it is fake. I don't like that, you can tell it's phoney.' An employee from another department in the same establishment summarised this eloquently:

> 'My customers come to me because they expect a certain style of service. I do not smile and demure myself to them. I am aggressive, witty, and sometimes sarcastic. Nonetheless, I have a *clientele*. If people want the type of server that smiles and is demure, they sit down in the section of [the other waitresses].'

Management also understood the importance of keeping tight control over the clients of the nightclub. Management of the club perceived correctly that trouble could irrevocably damage the reputation of the nightclub. They also understood the virtual impossibility of policing the club alone. In this sense, a high degree of autonomy and trust was a necessary component in order that the employees could assume responsibility for the club.

The club had a city-wide reputation for its peculiar brand of customer service. People who were causing a problem were removed from the premises with little ceremony. As one doorman explains:

> As soon as your fun started impeding on somebody else's we threw you out . . . Our procedure was such that we'd have two guys go to whoever was causing the problem. One guy would stand behind. The other guy would stand in front. Usually Stacy stood in front and did all the talking. And one of the doorman would stand behind the guy. But the guy would not know who it was. Stacy would talk, and if the guy wasn't reasonable enough Stacy would just nod his head and we'd throw him into a full Nelson and take him out of the bar.

Despite this reputation, the club was successful: the city trend-setter. This success, coupled with the ability of servers to manipulate their customers into tipping them, meant that servers enjoyed an above-average income. Consider these various estimated incomes. Waitresses made $6.00 an hour and worked an average 20 hour week. Gratuities ranged anywhere from $30 on a slow night to $150 on a good night, with the average being about $70 a night. Thus, a part-time waitress at this nightclub could expect to make about $1320 per month or approximately $14,840 per year. We could reasonably add an extra $500 per month for those individuals who work closer to full-time hours.

Bartenders made considerably more. Their wage was $7.50 an hour with a minimum average of about twenty hours a week for tenured employees. Gratuities ranged anywhere from $60 for an inexperienced bartender on a slow night, to $300 or more for an experienced bartender on a busy night. The average nightly gratuity income was about $130.00. The estimated total monthly income for bartenders was approximately $2,160 for three nights a week of work, or $25,900 per year for part-time employment. One full-time bartender made approximately $900 a week in tips and wages. This works out to a total gross income of approximately $43,000 a year.

These figures are well above the industry average. *Statistics Canada* cites annual incomes of waitresses of $5,040 (part-time) and $10,224 (full-time). Comparable figures for male bartenders are $6,907 and $10,568.

As we noted earlier, there were no antagonistic relations between management and staff. Indeed, the relations were marked more by mutual reciprocity than conflict. High autonomy and control over the work environment led directly to high employee loyalty. This both reduced turnover and allowed for a considerable amount of labour flexibility. Employees were willing to come in but not start work unless required (the legal requirement of being paid for three hours in such circumstances was never followed), or to go home before their three hours were up, if it was a slow night.

Low staff turnover had considerable corporate benefits. It is perhaps the most salient factor in the success of any organisation that deals directly with consumers because it fosters a high degree of customer loyalty and repeat business through the development of personalised service. In any case, far from damaging the reputation of the nightclub, the tenure of the service staff, highly-personalised relationships, and exclusivity of the club provided clients with a sense of belonging and of being part of the 'in' crowd.

Core employees enjoyed a high degree of formal and informal job security. In the four years which preceded the management changes that profoundly affected the organisation, only one core employee was fired and even then the termination was preceded by extended (albeit informal) consultation with the employees of the club.

The entire social fabric of the nightclub, the mechanisms of selection and the hierarchical organisation of the club patrons, was a complex system. Like any social system of this nature, new employees would have to learn how to move comfortably within it. It was more often the problem that employees came into the club with an overly submissive attitude towards the patrons. Given the nature of the social interaction in the club, it was necessary for employees to *be themselves* and refuse to put up with obnoxious behaviour or sexual harassment. Otherwise their submissive behaviour would only encourage the inebriated *clientele* and make control much more difficult. New employees had to learn about the social hierarchy and the methods that were used to construct it in order that they

could take a place in the systematic manipulation of customer needs. All this was done through informal after-work staff gatherings.

Core employees became primarily responsible for the socialisation of new staff members. After-work discussions revolved around problems that had been encountered throughout the evening. An experienced bartender might relate a story about 'this one guy' who had come to the bar and whistled and snapped his fingers for service. The bartender would go on to explain how he had identified this individual as 'dry' to other members of the staff who then supported the bartender's decision by not serving the client. A waitress might explain how an overly frisky young male had touched her in the wrong place and was, as a result, ejected from the premises without ceremony and without recourse to managerial intervention. In this way, new staff members would learn about the service values, the hierarchical system, and the common methods of dealing with problem customers. All new members were placed on a three-month probationary period during which they were monitored by all members of the club. If they failed to learn the system, their contracts were normally terminated. But, this was never carried out unilaterally by management but by informal consultation between management and tenured staff.

As we might expect, there was very little hiring done outside the carefully constructed internal labour market. Most staff came via recommendations of core employees. When they did not, they always started at the bottom of the hierarchy and only moved up if there was sufficient support from tenured staff. In effect, someone had to give you a good word.

This entire social network was supported by the extremely close-knit character of the serving staff. Many employees described the staff more like a family and less like people they simply worked with. There was an intense degree of interemployee loyalty and each individual looked out for the interests of the others. If a client had angered one employee sufficiently, it was not uncommon for them to be unable to get any service at any bar in the establishment. Staff would support the initiatives and decisions of other tenured members without question.

This internal status system provided an incentive for new members to learn the ropes. Often new employees were virtually ignored in the first few days of their employment until they had contributed a story or an exploit that demonstrated their dawning recognition of the social system. Once this had been done, tenured staff opened the gates and began to draw in the new employee. However the extent to which they were allowed into the 'family' was delimited by their overall success in adopting the values and standards of the nightclub. New employees could only move into the higher status positions by successfully demonstrating their utility to the club and to other employees. Often, but not always, status was reflected in the levels of gratuity income that employees earned.

Employees themselves, and especially the tenured ones, considered

themselves to be the best in the business. This was probably not too outrageous a claim since the amount of skill and subtlety required to construct and maintain successfully a service culture like the one that existed here required considerable skill and knowledge about human desires. It was clear to the employees, clients, and club management that the experiences that they were able to offer to clients were not duplicated in any other club in the city.

What does all this tell us about skill and control in this establishment? In terms of control, probably the best conceptualisation is provided by Friedman (1977, 1990). Clearly, employees enjoyed considerable control, responsibility and autonomy. Direct forms of control were almost never exercised against tenured staff. It is of course possible to argue that this was because the employees had internalised the mechanisms of control. But the success of the system was based primarily on its ability to balance the needs of the staff with those of the organisation. Employees enjoyed their jobs and were remunerated at satisfactory levels. The organisation itself enjoyed long-term success and a degree of market security unusual in this type of service business that normally is characterised by short life-spans.

We need to add to our understanding of control, in this organisation an analysis of worker subjectivity. A key problem in the labour process tradition has been its inability to account for worker co-operation in the maintenance of what are, in the final analysis, exploitative relations (Burawoy 1979; Knights 1990; Willmott 1990). Though we would be hard pressed to describe this particular work environment as exploitative in the traditional sense, ultimately surplus value was being extracted from the worker, and we would have to concede the fundamentally unequal (but hardly antagonistic) relations.

Knights and Willmott (1989) attempt to incorporate a Foucauldian analysis of power and the subject to explain the reproduction of labour. They first reject any essentialist view of human nature, arguing that identity is a product of the historically contingent socialisation process. In our time, individuality, mastery, and free will are the core values around which identity is constructed. These character traits provide the essential psychological foundation for capitalist production. However capitalism is not able to grant more than a handful of individuals true individuality and freedom. As a result, contradiction and conflict are subterranean potentialities. More important than this, however, individuals who have internalised these values constantly seek to affirm them. This attempt to secure a sense of identity leads individuals to co-operate in the reproduction of the capitalist system when that system provides partial fulfilment of the subjective requirements of identity (Knights 1990: 327).

We see this quite clearly in our study. Serving staff constitute themselves as highly skilled manipulators of human emotions. They are able to realise their identity and skills through the instruments provided by the nightclub

and as a result they profoundly attach themselves to the club and protect its interests. Certainly there is an instrumental dimension to this, but the socio-psychological character of the work environment is far more important in securing their continued compliance.

What occurred in the club provides a detailed look at the reconstitution of the subject which helps understanding the mechanisms whereby subjectivity is constructed. Knights and Willmott (1989: 554) note that subjectivities are the product of 'disciplinary mechanisms, techniques of surveillance and power-knowledge strategies'. We see all three of these mechanisms operating in the reconstitution of the self as a member of the service elite in the city. In this situation disciplinary measures are brought to bear only when the subject is unable or unwilling to attempt a reconstitution of identity. In this circumstance, the disciplinary measure is simply to fire the staff member. Surveillance and power-knowledge strategies, combined with the lure of status and income, are far more important in the reconstitution of the subject. The after-work gatherings provide the forum where 'expertise' of tenured staff is distributed. Employees are monitored to ensure that they are successfully modifying their approach to service. 'Monitoring' was not confined to traditional methods. More important was the subject's own verbalisations and willingness to pass the tests of the gatekeepers. In this way, direct supervision and monitoring were rendered superfluous.

We should note though that there are some aspects of this study which do not quite square with Knights and Willmott's account. These problematic areas centre around the assumption that modern society individualises people. While there is no doubt considerable truth in this assumption, the findings of this particular case study do suggest that we reconsider the inevitability of this individuation. In the first place, it was the deep *social* aspects of the club that were the most attractive to new and old members. The ability to become part of a 'family' that protected each other and looked out for mutual interests was one of the more powerful reasons for the success of the social network in the club. Once adopted, the family was extremely protective. There was little of the individualistic and opportunistic game-playing identified by Burawoy (1979). On the contrary, club staff could have been described as more socially orientated. This was demonstrated most clearly when, during the course of management changes, staff perceived themselves as threatened. Their *collective* response to this was overt resistance. At the height of the management attack, staff came very close to organising a union (with the sanction of some members of management).

A conception of skill based on the transformation of the natural world would be completely inadequate in any attempt to understand the content of the labour process in this particular establishment. Yet despite the fact that there was no creative transformation of the natural world, there

certainly was a creative manipulation and transformation of the social world. The construction of elaborate meaning systems is a task that is rife with complexity and it takes a highly skilled worker to work within status systems in such a way as to co-ordinate the interests of the individual workers with that of the larger social group of the nightclub, and the organisation as a whole.

The nightclub was a resounding success in the local market. Queues at the door often extended hundreds deep. Yet despite the obvious success and longevity of the nightclub, upper management decided to implement sweeping changes in the organisation. Their reasons could be traced directly back to their concern over the social organisation of the club and its clearly hierarchical and exclusionary nature. The club catered to a specific type of *clientele* and it carefully protected their interests. Customers, whether new or old, were expected to observe certain regulations governing behaviour. They were required to show a minimum level of respect both to the servers and to other customers using the establishment.

For individuals accustomed to the type of servitude prevalent in other sectors of the industry, management and staff often reacted in unpredictable ways and this often led to complaints being directed higher up in the hierarchy. The gradual accumulation of such complaints over a period of time led upper management to begin a system of organisational change designed to regain control of the situation.

The Change

The rationale for the change was simple. Service should be generalised to as wide a market as possible. This was, as one individual from upper management put it, 'the only way to compete in the nineties'. In line with this new philosophy of *quality first,* the manager of the nightclub was fired.

The subsequent choice of club manager was clearly reflected the attempt to impose ideological and organisational control from the top. Something 'clearly' had to be done with what upper management perceived as a negative staff attitude towards customer service. As one manager said, 'when I took over, the first thing they told me to do was to change the staff attitude.' And another said, 'all the staff there need an attitude adjustment'.

It was this perceived need to reassert control that shaped management's initiatives. While there was much rhetoric about continuing and even increasing employee participation and ownership of the nightclub, the actual implementation moved in the opposite direction, towards increasingly direct control of the labour process.

Staff Training

One of the first measures the new management took was in the provision

of regular tourism seminars. Ostensibly to provide job training for employees, these seminars in fact attempted to manipulate the perceptions of employees regarding the role of the client in the nightclub. They were a transparent attempt to induce the employees to re-evaluate their entrenched attitudes towards customer service by appealing to broad economic arguments. The argument went something like this. Since tourism was an important part of the health of the economy, and since the state of the economy directly reflected on the success of the nightclub, customer service should reflect the employees' awareness and concern with the economic development of the province. The entire seminar was focused on customer service and excellence in service and the 'obstacles' (bad employee attitudes), that needed to be overcome.

It is hard to imagine that many employees would have accepted this view, and indeed few did. Almost all were aware of the critical role they played in the ongoing success of the nightclub. It was extremely difficult to convince them that they could increase the business of the establishment by providing high quality service. They understood quite clearly that the main product of the club was not alcohol but status. If alterations were made, the value of the game to the individual participants would decline. You could not sell status to a customer if everyone was being treated the same.

These seminars also reflected the changed attitude of management toward staff. The earlier atmosphere of equality of staff and management (as reflected in the informal and regular after work gatherings) had now been replaced by a patriarchal and authoritarian stance towards employees. Discussion of management policy and behaviour was strictly excluded from the discussion. At times one got the impression that employees were now viewed as bad children. The host or hostess of these meetings could be extremely patronising by, for example, handing out 'candy treats'.

For the most part, these seminars were ineffective in altering the attitudes of staff and additional, intrusive and autocratic measures had to be taken to ensure 'high quality' customer service. This involved increasing direct managerial control and the first step that management needed to take in this direction was to flatten the organisational hierarchy.

Eliminating the Hierarchy

The process involved the elimination of all intermediary supervisory positions (head waitress, head bartender, head doorman). This had the result of concentrating power in the hands of the manager and assistant manager. This virtually eliminated channels of communication between employee and management. Prior to the change, supervisors had been responsible for mediating between management and employees by taking grievances or by operating as intermediaries in the construction of what few workplace rules existed. After the change, grievances could only be taken

to the top. However, the aggressive and authoritarian stance adopted by management curtailed open communication and this in turn contributed to suspicion and distrust among employees.

The removal of buffer zones was designed to ensure that employees were directly accountable to the club management. A difficulty that management had encountered with the supervisors was their embeddedness in the social organisation of the nightclub. They could almost be expected to short-circuit or creatively re-interpret the new management initiatives. They were thus an obstacle to regaining control and had to be removed. Once this step had been taken, management was able to usurp control over the handling of customers and difficult situations from the employees. Management, for example, stopped staff replacing drinks, and made it risky for employees excluding patrons. With the elimination of supervisors, there was no one who could stand behind the decisions of the servers.

Supervision

Coupled with this loss of autonomy was an increase in panoptic supervision. Management began to monitor the performance of individual employees on a regular basis via direct supervision or the use of 'spotters'. Spotters were individuals hired by management to observe covertly the actions of employees. In some situations, these spotters were instructed to make life as difficult as possible for the employees in order to test the limits of staff's endurance of obnoxious behaviour.

This process bears a close resemblance to what Fuller and Smith (1991) have called *management by customers*. In the case study, the only thing that was shaped by customer feedback was the atmosphere in the nightclub. Employees did not respond well to the new techniques of guaranteeing customer satisfaction. Their response was to withdraw authentic emotional exchange and substitute it with the minimum level of superficial agreeability. This substitution was ultimately a form of industrial sabotage since regular clients had come to expect an authentic personality on the other side of the bar. When this was not forthcoming, and indeed, it was obvious to many that the new affability barely restrained some seething resentment, the peculiar social character of the nightclub began to disintegrate.

In order to enforce 'management by customers', management also institutionalised employee evaluation forms and warning slips. At one point they even threatened to sack the entire staff if they did not 'prove' their worth to the organisation and demonstrate their ability to adopt the new standards of customer service. This use of scare tactics was perhaps the most extreme attempt to control the staff. About a month before the club moved to a new room in the hotel, one individual from management called an afterwork staff meeting and informed the staff that they would all be laid

off in a month. This manager further went on to say, 'if you want your job, you will have to prove yourself now'.

These penal methods had some predictable consequences. They certainly did not result in employees being beaten into submission although they did create profound levels of stress for employees who now had to put up with customer abuse. In some cases, there was simply no defence against the customer since employees knew that if they took the hard line, they risked being suspended or fired. In one particularly dramatic case, an employee became so upset about the inability to control his environment that he snapped. One night during the middle of a rush he took the soft drink gun and sprayed all the customers around his bar with soda water. He then grasped an armful of beer from the cooler, and distributed it to his favourite customers as a going away present and walked away from the job.

Job Enlargement

There were other changes that normally might be expected to decrease the alienative character of the labour process. Once such change was when managers enlarged the jobs of individual servers. Prior to these changes, established servers, and especially those with seniority, had their own stations, allotted on the basis of experience and skill.

This manner of staffing the bars is beneficial because it facilitates a certain level of interpersonal familiarity between customer and serving staff. A result of this is that an individual can develop a strong attachment to the *local* serving staff. There were numerous examples of this attachment. Customers would often ignore the queues at the busier bars and refuse service from an unknown (or little known) bartender simply because the customer preferred to wait longer (and in some cases considerably longer) for their regular bartender to be free.

By instituting a policy of job rotation whereby servers were moved to different locations on the floor, managers prevented employees from having the opportunity to get to know their customers. It was an annoyance for the customers to have to track down *their* bartender every night. In this way, the client/server bond was destroyed and the level of interaction reduced to something more akin to what we might expect in a Burger King joint. When employees were forced to serve different customers most of the time, they did not develop an awareness of the personal characteristics of their clients and they could not provide the highly personalised service that they had previously perfected. This had the effect of de-skilling the employee by confining them to a more limited social interaction.

Employees disliked job rotations and constantly pointed out its negative effects in terms of reduced gratuity income and the inability to develop customer loyalty. Interestingly, management agree with these concerns but refused to back down from its implementation of job rotation. We can

understand this contradiction by examining the potential uses of a personal bond between an employee and a customer.

A close interpersonal bond allows a degree of personal communication not normally present in employee/customer relations. This communication channel can be used for enhancing the organisation (as is done in an environment where employees are happy) or for hanging out the organisation's 'dirty laundry'. In this latter case, an employee can give the club and its management a bad name. Obviously, such comments are likely to carry more weight when the employee and the customer have developed a relationship. A bond between client and server is a double-edged weapon and leaves the organisation vulnerable to its own initiatives. If the organisation is functioning well, these communication channels are likely to enhance greatly its effectiveness. If the organisation is lurching though difficult changes, then these channels can be used by employees to facilitate its destruction. Rather than back down from the workplace initiatives, management chose to strengthen their position by eliminating the power of employees to develop close bonds with their customers.

The new autocrats directly admitted the importance of this client/server bond. While they considered simply sacking all employees, they never attempted this and instead preferred to make vague gestures towards mass dismissal. On their own admission, to dismiss all tenured employees would have destroyed the nightclub by alienating almost all of the regular *clientele.* This loss of repeat business would have been facilitated as employees secured jobs in other nightclubs in the city. Many of the regulars would have initially followed them. This mass exodus would have necessitated a complete 'bottom up' rebuild of the nightclub.

The informal culture: a direct attack

Finally a new management reduced the informal after-work gatherings. Whereas before staff stayed as long as they liked, whenever they liked, now staff were only allowed to stay on the good graces of the management. In practice this meant that staff were allowed to stay only for a few minutes after work. This was time enough to finish their one allotted beverage (which they now paid for) but not enough time to go into any great detail about concerns over the night's activities.

This can be seen as a direct attack on the social superstructure of the organisation. It was never completely successful in eliminating the socialisation of new core members since these activities were transferred to other times and locations. But it certainly impeded the process. The only way that management would have been able to eliminate the informal organisation structure would have been to fire all the staff. As we have already noted, this would have been a costly endeavour.

Additional changes

Up to this point we have discussed the changes implemented by the second manager to run the club. However, her career ended when, after only six months, she came to the realisation that she could not 'keep up with staff morale'. The initiatives of the third manager were unoriginal though more bureaucratic, intrusive and negative. As he once remarked 'This place is broken and [upper] management wants me to fix it. If that means firing all the staff then fine'. In general, he operated from the assumption that all the staff were doing a poor job and that the staff were to blame for the steady and continuous drop in sales. This was a clearly unwarranted assumption since sales had only dropped off after he began to manage the nightclub. A more likely reason for dropping sales was the decline in status that the club was experiencing as a result of the degeneration of the club atmosphere.

His initiatives included a much more arbitrary use of warning slips in order to build a file on employees that would have been needed in order to support dismissal. He needed to undertake this because the human resources department would not let him fire employees arbitrarily. He established more rigid criteria of standardised service (staff *must* have fun, juggle, have water fights, and smile). He even had his assistant go to individual staff members to 'remind' them to enjoy their job and to make a public display of the 'fun' they were having. He completed the usurpation of individual initiative in customer service decisions and finally monitored service staff so closely that employees were told that, even when they were not on the job or even in the club, their behaviour 'represented' the nightclub and should thus conform to acceptable standards of decorum. At this point, it became almost impossible for individuals to relax while in the establishment in any capacity.

Consequences

The costs that the organisation, *clientele*, and employees suffered as a result of the shift towards more direct forms of control were quite clear and profound. For customers, the sense of continuity and familiarity with the individual servers was lost. This resulted in a loss of customer 'ownership' of the club, compounded by the increasing number of problems on the floor. Management operating in isolation could not help to monitor all customer behaviour and since employees were no longer trusted to exert authority over problem clients, customer to customer (and customer to staff) harassment often went uncontrolled. This contributed to the perception, especially on the part of older clients and women, that the nightclub was no longer a safe haven for socialisation. The level of repeat business declined sharply and there was a marked shift towards a younger and more transitory market.

For the employee, stress increased as a result of the supervision, elimination of responsibility, and authoritarian stance of the management. The workplace became alienating. It was no longer fun to work there. The general level of stress increased as employees learned they had to, on pain of dismissal or suspension, deal with all customers equally. As one waitress notes:

> Well, you're told that you have to be on your best behaviour all the time, that the customer is always right, and they've stressed that. And you and I both know that in a bar the customer is not right. You make him think he's right, but he's not. Especially if there's a confrontation. If they're pissed off or ticked off at something. But you know that that's the way it is, that's the rule . . . Like before at the club [it was] 'look pal, that's the rule. I'm sorry, if you don't like it you can leave or we will throw you out'. Now it's like 'well okay, okay - I see your point, we'll change that rule.' . . . Because we have to, no matter what you do to me, I still have to serve you. I have to! That's the way it is. No matter what . . . I could be the worst person in the world to you, the worst bitch. You still have to serve me. And if you don't, they go running to the manager. You know how many times people run to the manager? Well as long as they run to James, it doesn't get blown out of proportion. But if it gets to Karren, then Karren immediately comes over and gives you shit. Right in front of everybody.

Staff were now required to put up with things for which individuals in other industries would seek legal redress.

> Look at the very first toss [we] had. Do you know what happened? It was me. And I'm there in my jersey and a little mini skirt, and this guy picked me up around my legs, right underneath my bottom. He picked me up like this. He had me at his chest and he's standing there, and I'm screaming for a doorman. And I turn round and I [yell], 'Paul, Paul'. Paul walked over, tapped the guy on the should and said 'hey put that waitress down, you're not allowed to touch the waitresses'. I went, 'What!' This guy grabbed me and picked me up. I've got my tray in my hand, he's bothering these women. He picked me up! No! Get him out. My bottom's right at his chin, I'm surprised he didn't bite my ass or something. He's got me right here [points at crotch] and I'm way up in the air. 'Excuse me, you're gonna have to put her down. You're not allowed to touch the waitresses'. No, you grab that mother and you throw them out as physically as you possibly can.

Declining sales, the inability of employees to develop regular *clientele* and the lack of much needed responsibility contributed to the overall sense that the employees had that management initiatives were poorly designed and ill-conceived. This resulted in a declining staff morale and increasing disrespect for management. Individuals became unhappy with the job, less supportive of management, and less concerned with the future of the club. Staff turnover increased, further exacerbating customer alienation. This in turn made employees more angry and a vicious circle was set up that virtually eliminated the ability of employees to create a favourable social environment. Customers, especially the regular ones, were acutely aware of some of the changes and the impact they were having. As one noted:

> For a while the whole place seemed screwed up. Everyone seemed pissed off at each other, nobody seemed to be talking as much. It was a very negative atmosphere.

And another:

> It was a very uncomfortable situation for me. I had been used to a friendly reception. Now all I got was an angry stare.

Declining sales and declining repeat business increased disenchantment amongst employees and *clientele* which, in turn, increased pressure on management to 'do something'. A more authoritarian individual (the third manager) was hired in the hope that something could be done to halt the steady decline of the club. However, stepping up managerial interference only exacerbated the problem. After about six months the third manager, at a Sunday staff meeting, began talking about giving employees back some of the responsibility that had been taken away from them! As he said, he was quite concerned with the declining sales and all employees would have to 'jump in the boat' in order to save the club. He felt that if sales did not pick up, it was only a matter of time before upper management became concerned enough to fire employees. As it turned out, his contract with the club was terminated the following day.

At this point, upper management made a move that surprised all the employees and was considered by some a victory. The original club management had consisted of a manager and an assistant manager. The assistant to the original manager was re-hired as the 'new' manager of the nightclub.

Discussion and conclusions

The case study was an exemplar of forms of responsible autonomy and how management could utilise this type of strategy, and I use the term strategy only loosely (Thompson 1983, 1990), as a means of encouraging or facilitating the creative and co-operative construction of highly complex meaning and status systems. In some ways, management had little real control over the labour process. In its original form, management and staff shared equally in the construction of the labour process in this nightclub. It seemed to be a *socialised* workplace. Ultimately though the problem with this characterisation is that the core of the labour process remained intact. There was still a 'logic of accumulation' and the relations of production were, in the final analysis, asymmetric. This was most clearly demonstrated by upper management's ability to unilaterally *attempt* a reorganisation of the labour process. These relations of production were almost impossible to discern in the original workplace. The combination of responsible autonomy and a carefully constructed subjectivity completely obscured the fundamentally exploitative character of capitalist production. The system in

the nightclub was built to exploit the isolated individualism of the mass population. The nightclub could not have survived within a social system that did not offer limited opportunities for ego-actualisation. Ultimately it would matter very little just how good employment in the nightclub was, since we would have to consider this against the conditions which contributed to the success of the social system.

The shift to forms of direct control added another dimension. It was fascinating to watch the complete disintegration of the social fabric of the nightclub as management shifted from forms of responsible autonomy towards direct control. Now I had an example of the dynamic and changing nature of managerial control over the labour process. The study is a vindication of Friedman's (1977 1990) and Edwards's (1990; Edwards and Whitston 1994) arguments against ossified linear typologies of managerial control. We can quite clearly see how managerial control arose out of their experiences and interpretations (however faulty) of the labour process and their desire to ensure continued extraction of surplus. We also see how employee resistance limited and conditioned managerial prerogatives. While we might say that there was a logic to managerial action in this workplace, it would be worse than useless to attempt to characterise what management did as rational, strategic, in their long term interests, or part of a historical move towards more rational methods of control. As Edwards (1990: 136) notes:

> They do what they can in the circumstances . . . When it is recognized that capitalism is contradictory, it is possible to begin to develop models of strategy which see the action in question as an attempt to balance forces which are necessarily in a state of tension; it is not surprising that a clear plan cannot be discerned. There may, however, be a logic in what is done; behaviour is not random, and the pressures leading to it can, in principle, be identified . . . for capitalists this logic is governed by the needs to continue the generation of surplus.

To Edwards's comments we might add something about the fallibility of managerial interpretation of the labour process.

At the same time, Edwards's (1990) rejection of a Foucauldian analysis of power, control and subjectivity does not sit well in this context. Workers were quite clearly embedded in the system and this had obvious implications in terms of their ability to comprehend the exploitive nature of their employment. Thus, even though there were negative aspects to the original organisation of the club, like a smoky environment, long hours, and high levels of stress, employees ignored these aspects. We can only understand their oversight by examining how the employees came to identify their interests with those of the organisation. We have to consider the powerful mechanisms brought to bear on new workers. Their subjectivity was constructed and their willingness to partake in this ritualisation was a key factor in determining their status in the nightclub. Once appropriately socialised,

they were willing to put aside many questionable aspects of the environment. For example, nobody thought twice about the dismissal of a female employee for losing less than $50 from her cash tray. They ignored and even condoned this, despite the fact that a core member of staff had at the same time lost over $500. He was not even disciplined. She was never seen again.

We also have to modify Knights and Willmott's (1990) theorisation of subjectivity. In our workplace, there was none of what Knights (1990: 311–2) has termed the individualisation of the worker. 'For targets and bonus schemes, wage differentials and career systems all have the effect of separating individuals off from one another and turning them back on themselves . . . That is to say, subjects become wholly preoccupied with accumulating material symbolic supports for their own individual existence'. Contrary to Knights's (1990) initial forays into a theory of subjectivity, control was not solely induced by individuating the worker and providing material and symbolic props to support a frail individuality. Rather the type of profound psychological control evident in this workplace was more a function of the deep social characteristics of the labour process and the desire of individuals for meaningful social interaction.

Finally, there is the question of skill. Clearly we must consider the creative transformation of the social environment as a key aspect of the labour process in the service industries. In this light, Burrell's attempt to extend our conception of labour seems most appropriate. Arguing that a traditional Marxian characterisation of the subject and of the nature of human labour are inadequate. Burrell (1990: 292) suggests that 'the abstract category of labour [be] seen as a set of relations revolving around the expenditure of physical energy by human beings in the production of commodities (whether material, non-material or their own bodies) for exchange on a market in which realisation of surplus value might take place'. This conceptualisation neatly encompasses the peculiar characteristics of the labour process in those service industries where human contact becomes more important than the physical commodity for creating value and securing surplus value.

In summary, by eliminating employee discretion and the informal culture of the workplace, by insisting on standardised service, and by threatening dismissal, management reduced a flexible and organic organisation to a set of rigid rules governing conduct. While it could be argued that some changes were needed, these would have been more successful if management had remained true to the requirements of employee participation and empowerment, been open about the reasons for their changes, and listened and acted on the concerns and complaints about employees.

Broadly, the type of rigid and hierarchical structures preferred by places like Burger King (Reiter 1991) are inappropriate where the part of the 'product' is extended human interaction. When individuals conceive of a 'quality' product, they must take into account not only the product itself,

but the social interaction that goes into the products conception, actual production, and delivery. Except in the most automated industries where human interaction is kept to a bare minimum the social dimension must be part of the equation. In a nightclub where the product is an extended evening of social interaction not only with other customers but with servers as well, eliminating the human component by codifying and standardising behaviour is strikingly sterile and destructive.

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