

## Jérôme JULIA: invisible labor and hidden productivity; new glasses for HR managers

### Introduction

This fifth annual convention of the European HRD Circle raises the following question: does the slow growth developed economies have been experiencing for several years question HR views and policies? I have decided to address this theme by questioning the very notion of economic growth and the effectiveness of the growth factors on which growth is built.

By convention, GDP is the total of an economy's added value. Service flows are understood as the total costs designed to produce them. Yet, services rendered and externalities in terms of health, education, finance, commerce, etc., are barely measured. The French Institute of Statistics and Economic Studies (INSEE) claims that service productivity in France has barely gone up in 25 years, even though they account for about 70% of the economy<sup>1</sup>. Therefore, we do not know how to measure the wealth produced or its quality. In our developed economies, the jobs content of a growth point keeps increasing, whereas our jobs' growth content is underestimated.

This article's theory is as follows: among the three traditional production factors (capital, labor, land), value adding capital is primarily immaterial, and no longer physical, material or financial. Consequently, the shape of labor is changing. If immaterial capital accounts for 60-70% of companies' value<sup>2</sup>, then labor creates a sort of vital inflow to 'make this capital work.' In that case, labor is divided into two elements: on the one hand the completion of a standard task, which could be automated, which relies on financial and material assets that can be compared between several economic players; on the other, the activation of one or several immaterial elements (know-how, interpersonal asset, organization...)<sup>3</sup>, outstandingly different and specific to the company in its fundamental uniqueness.

This article aims to show the current reality of labor and workers, and the gaps compared with traditional methods for managing the company's resources. It also shows a new understanding of labor as the activation of immaterial forces and implies a new vision of value creation and sharing in a company. This view entails a new idea of management and new roles for the HR function.

### What does 'working' mean?

How to renew with a certain philosophy of labor to build tomorrow's economy and businesses? Human sciences, economics and philosophy have given us several points of reference regarding labour. As an example, let us quote the views of two philosophers: Hanna Arendt and Simone Weil.

In "*The Human Condition*"<sup>4</sup>, Hanna Arendt<sup>5</sup> distinguishes between work and labour. Work is the result of activity of a human being who expresses his or her freedom in the material realization of a project of his or her choosing. On the contrary, labour is an answer to the need men have to act on nature to guarantee their existence, such as building a bridge to cross a river.

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<sup>1</sup> Source: World Bank

<sup>2</sup> Sources: World Bank, Ministry of Economic and Financial Affairs, Ricol & Lasteyrie, EY, ...

<sup>3</sup> See: [www.observatoire-immateriel.com](http://www.observatoire-immateriel.com) and [www.lesimmaterielsactifs.com](http://www.lesimmaterielsactifs.com)

<sup>4</sup> Ed. University of Chicago Press - 1958

<sup>5</sup> German philosopher who became a US citizen (1906-19750)

Simone Veil<sup>6</sup> points out to a worker's dignity, wherein lies his or her main strength. Workers adapting to work is the very source of their liberation. She does not distinguish between work and labour. Therefore, she does not view social progress as making time for work but as creating the conditions for authentic, liberating work in the company.

Alexandre Kojève, a French philosopher of Russian origin<sup>7</sup>, attempts a synthesis of these two ideas: *“Work is more than an activity. A man who works recognizes, in the world that has been effectively changed by his labour, his own work, sees in it his own human reality, discovers and reveals the objective reality of his humanity, of the firstly abstract and completely subjective idea he has of himself.”* This eye-opener is true for everyone: artists, cleaning ladies and employees alike.

Today, the relative invisibility of labour<sup>8</sup> comes from the fact that it tends to disappear behind its object, its output, and its tangible or financial production. Consequently, the proposed transformation is a transfer from an objectification (submission to the object) to the subjectification (submission to the subject) of labour.

With our current economic system, work is subject to a huge translation mechanism. Concrete human activity – material labour –, with its efforts and its dissatisfactions, its patience and its uncertainty, is translated into quantifiable data: time, number of objects made, number of clients contacted, number of files addressed, number of products sold to the client, and so on. Such information is organized so that labour can be branded and evaluated according to a financial evaluation grid with comparison ratios, in order to deduct prescriptions and recommendations. Everything was done to translate the physical reality of labour into an abstraction that can be identified and analysed.

The meaning of labour was amended so that it could be measured against universal, accounting references. For instance, the concrete patients a doctor treats were translated into medical acts, time spent for each act, number of daily acts and, in the end, the doctor's relative performance compared with all of his or her peers. A teacher's job was translated into success rates at exams, or numbers of dissertations presented; a researcher's into the number of articles published, then the number of quotes from these articles colleagues are using worldwide. Gathered, aggregated, mixed, compared, labour data give a quantifiable economy of profit used to maintained existing situations, profit. This abstraction of the concrete reality of labour, this translation of professional human activity into an imaginary lingo, have expanded and are freezing positions.

Yet, there is no hammer without a master, and companies don't have any assets if they don't have activating agents. Any task implies that a living person performs it, sometimes with assistance from a machine, a computer or a robot that extends and multiplies effort and intelligence. Work is fully subjective as it builds the subject that is working: work “turns” teachers, cashiers, managers, into unique individuals, even when they perform standardized roles that are not specific to them.

Therefore, in its subjective dimension, work gives workers a face. HR Directors, philosophers, teachers, consultants, even if our activities may sometimes seem quite similar, no one experiences the same thing, no one is involved and in the end built in the same way with their work. This subjective experience of work is rarely acknowledged in our economic world, even though it is what creates the most of sustainable value. Any worker needs to be taken into consideration, i.e. seen as an individual, a unique person who acts, revealed in the work

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<sup>6</sup> French philosopher (1909-1943)

<sup>7</sup> (1902-1968)

<sup>8</sup> See *“Le Travail Invisible”* Pierre-Yves Gomez – Ed. François Bourin

performed. Anonymous work is devoid of part of its reality, as if it had been done by anyone. Negating workers as singular beings is not only immoral and unfair, it is also an economic error.

### **What does ‘producing’ mean?**

From a time when working meant operating material and financial assets, we are moving towards a new era where working primarily means stirring, developing and renewing immaterial assets. Work is no longer a production mean like any other; it is the vital flow guaranteeing the company’s longevity.

Production is going from determined, allocated production to immaterial production, that is not allocated and that is diffuse in time and space. What do Apple, Nespresso or Starbucks really produce except for a certain view of the world where all their ecosystems are mirrored? In those three cases, what is produced isn’t just capsules, iPhones or a catering service but an aesthetic, symbolic and political imaginary world. This production of meaning and differentiation, hard to automatize or outsource, remains eminently embodied by individuals and groups of individuals.

The old, recurring debate on the impact technology has on growth and employment should give more weight to immaterial investments: design, vocational training, the vitality of sectors and regions, non-technological innovation, delegation levels, and so on. In all these categories, the German industry is one step ahead. For instance, in 2014, there were 31,600 robots on French production sites, 58,400 in Italy and over 175,000 in Germany. *“In Germany and in the United States, the link between research and industry is much stronger, people understand each other better. In France however, the discussion is quite elitist,”* declared Philippe Bidaud, former chair of the GDR robotique, an association gathering the largest labs in France<sup>9</sup>. And this situation does not hinder full employment in Germany.

Let us consider 3D printing for a moment, that is all processes and technologies whose common trait is to create objects by adding matter (additive manufacturing) instead of removing it (processing). They provide freedom from the constraints of a model, a sheet-metal plate or a metal pad, making it possible to have: small batches of traditional parts for a limited cost when the price of a limited set was prohibitive; parts that used to be ‘impossible’ to make with traditional procedures; parts offering new mechanical or thermal possibilities; parts in one piece when assembling used to be required, and so on. 3D printing is going to redirect work and value added, from the fulfilment of productive tasks focused on an object and its features to tasks focusing on user/customer experience and the symbolic force around the product or service.

The distribution of know-how is going to be deeply modified. Some know-how will become obsolete while others become essential. Let us compare with taxi drivers, who no longer need to know the streets to work with their GPS: their knowledge of the streets is becoming obsolete, they need to reinvent know-how, being polite and accompanying clients. 3D printing production will have similar impacts but on a much large scale. The know-how of a lot of trades is going to be obsolete and others will have to soar towards new skills.

### **What does ‘improving productivity’ mean?**

The productivity of production factors is usually measured with indicators that prefer tangible and attributable elements and barely or poorly understand what can be restricted, diffused, intuitive or indexed. As philosopher François Jullien wrote: *“Being unaware of this part or dimension of evasiveness leads to unbending, starved, frozen or even passive management. On the contrary, I would*

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<sup>9</sup> Source : Libération, 18 May 2015

*plead for a form of management that, taking account of this part or dimension of evasiveness, unattributable and therefore unmeasurable, is alert management.*<sup>10</sup>

Workers (employees, managers, directors) spend their time performing a job that answers to their trade's standards for their performance to be manifest. When they work, they necessarily experience a change, from subjective into objective labour. With the way we measure and promote it, performance takes work outside of pure subjectivity.

Since Taylor and Ford, task division has worked against aggregation and consistency between objective and subjective labour. Task division provides a feeling of helplessness and ignorance. Workers must perform their allocated objectives, without paying attention to the unique manual skill they are developing, to the quality of their relations with their co-workers and suppliers, to their compatibility with the company's culture. A free individual's work is captured in an economic organization that erases its subjective and collective aspects. The hypertrophy of objective labour and performance depreciate subjective experience. Workers are no longer spotted as individuals but as contributors.

While accessing real labour is hard, only considering work that has become visible as performance remains an easy solution. Total productivity is made up of the productivity of financial and material production means and the productivity of immaterial production factors. Producing means creating two types of results within one move: one is determined and can be measured, the output<sup>11</sup>, while the other is showing – the outcome<sup>12</sup>. One generates a product and a service, the other generates a symbolical value that cannot be compared around know-how. One is standard, so much so that it becomes a utility, but the other is used to build the company's success and longevity.

In addition to cutting costs, improving productivity means improving the company's attractiveness, giving customers, workers, partners the desire to "buy" the company every morning, to be a part of its history. A good example shows the value of labour, facilitates the process: free labour. Indeed, a part of labour completely escapes any organizational rule: the volunteers the company calls on as seasonal backup, the agent who stays longer than anticipated to help a clients, workers who help each other, one's commitment to finish a case...

### **New glasses for HR managers**

We need a new reading grid. Our economic system, inherited from the last century, is under the responsibility of managers who are experts in abstract labour. The hypertrophy of objective labour has also reached managers and HRDs, with the cult of standards and numbers, and where tools and ERPs shield real work.

Abuse of a certain "procedural governance" transforms managers and HRDs into mere abstract managers, so that "real work" is assimilated as a purely instrumental representation of labour. This representation weakens managers and leaders' intellectual analysis and reflection, yet essential to our business world, so complicated, tough and uncertain.

Thus, this article suggests a new mission for HR managers: to identify the company's intangible assets and their carriers, in order to emphasize true contributions to the company's differentiation, competitiveness and development; to define and implement policies to recognize and mobilize these carriers, assess what, in their daily work, creates distinctive value, and create a fair way of sharing this value.

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<sup>10</sup> In Revue Kea&Partners 2015 – to be published

<sup>11</sup> Production, productivity, power / signal / output voltage

<sup>12</sup> Result, outcome, consequence, logical result



Besides, the purely result-oriented working environment is now developing in different shapes (self-organization, holacracy<sup>13</sup>, free company, lean start-up, agile management...) and in different contexts (Favi, Zappos, Gore-Tex, Toyota...). Employees become free of their time and, in return, are efficient. Managers and HRDs are no longer employees, they become labour managers. Thus, the collaborators can work wherever and whenever they want as long as the results are there. Usually, everyone knows when they are able to give the best of themselves and be the most productive. Every individual becomes more autonomous, more cooperative, more innovative, and is more part of the company.

In addition to increasing workers' autonomy, a new relation to time brings invisible work out. Let us talk about lean management<sup>14</sup>. Remember that, of the fourteen principles listed by that method, one of the most important (No. 13), often concealed, states that decisions must be made slowly and consensually (as Toyota operators do it Japan, not their foremen). Alone, this unfortunate oversight has caused quite a few damages in businesses...

The strange Queen of Hearts in Alice in Wonderland<sup>15</sup> says that one must run to stay in the same place: *“Now, here, you see, it takes all the running you can do, to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that!”* On the contrary, one needs to find the right pace and get out of the high-speed chase that leads to corporate burnout.

Reading immaterial work, workers' autonomy and recapturing relevant time: three challenges to take up, new glasses for HR managers!

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<sup>13</sup> Governance in which decision-making is distributed throughout a fractal organization of self-organizing teams.

<sup>14</sup> Management philosophy that originated in Japan.

<sup>15</sup> *Alice's Adventures in Wonderland*, Lewis Carroll, Macmillan and Co, 1865