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*Review of Gurus, Hired Guns, and  
Warm Bodies: Itinerant Experts in a  
Knowledge Economy*

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this elasticity is less than one, an “ends against the middle” equilibrium results, with the poorest and richest families forming a coalition against the middle class to fight for lower central taxes and less public spending on schooling.

The authors’ consistently tight focus may make some readers pine for a deeper discussion of several issues. Foremost among the empirical questions is whether the macro-economic organization of education is more or less important than the specific micro-characteristics in promoting various outcomes. For example, which is more effective in improving student learning and promoting opportunity: measures to increase competition between public schools, or measures to shrink class sizes? Do private schools do a better job than public schools (a particularly intriguing question given the authors’ observation that sectarian private schools spend considerably less per student than public schools)? Would tuition subsidies in private schools be able to keep pace with vastly expanded enrollments under a universal voucher program? How do peer effects and ability tracking affect educational outcomes, and how does the organization of the education system in turn affect these?

Furthermore, the book largely abstracts from some important factors that are inexorably linked to its dynamic political/economic theme. Readers will find themselves wanting to learn more about how education is affected by changing demographics (not all families have children, geographic mobility is increasing, cities, suburbs and exurbs have evolved, populations have aged, and so on), by pressures on governments to provide other services, and by interest groups’ influence on legislative outcomes. Also, since the intent of the book is to explain implications for mobility and income inequality, something must be said about non-human capital factors that affect these trends. The authors mention some of these factors, notably skill-biased technical change, but they do not discuss the empirically observed divergence between the distribution of incomes and the distribution of abilities (tournaments), the pace of globalization, and other factors that will affect the distribution of income independent of the education a particular person receives. However, answers to many of the questions that Gradstein, Justman, and Meier themselves do not address may be found in some of the works they include in their systematic review (strung across the relevant chapters) of the literature on the political economy of education.

Though brief, this book is by no means a perfunctory treatment of the theoretical foundations of education. Mastering the models presented is essential for the development of sophisticated theoretical modeling that is needed to more fully understand the issues at the fore of current policy debates in education: school autonomy, the equitable distribution of spending, choice for parents and competition between schools, changing educational hierarchies, the relationship between religion and the state, and the need for accountability and standards. Development economists and policy-makers should also be extremely interested in this book. The authors demonstrate how their models are useful for understanding endogenous growth theory and are important for answering important questions—among them, for example, what is the relationship between the development of public schooling and industrialization? Are different schooling regimes appropriate during different stages of development? What are the political and economic implications of the dramatically different institutional and political realities in less developed countries?

The gap that this book helps fill for the research community still exists in the classroom: there currently does not exist a textbook on the economics of education at any level. Most of the material in *The Political Economy of Education* could easily be adapted for use in such a volume.

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### Human Resources, Management, and Personnel

*Gurus, Hired Guns, and Warm Bodies: Itinerant Experts in a Knowledge Economy.* By Stephen Barley and Gideon Kunda. Princeton: Princeton University Press, 2004. 342 pp. ISBN 0-691-11943-0, \$29.95 (cloth).

Over the past three decades the nature of work in many American organizations has drastically changed. Alongside a general organizational restructuring, the traditional employment relationship is being redefined and is taking on a variety of new shapes and forms. In this masterful and insightful book, Stephen Barley and Gideon Kunda study the intricate and often

counter-intuitive consequences associated with the changing nature of work. Specifically, they examine one of the clear manifestations of organizational restructuring—the shift to contracted work in the high-tech sector. Employing their ethnographic expertise, Barley and Kunda successfully reclaim the mandate of organizational studies to explore the complex and multidimensional effects of organizational transformation on the way individuals (in this case, technical contractors) work. By focusing in particular on the *meaning* contractors give to their emerging work arrangements, they illuminate why technical contractors choose a contractual relationship rather than permanent employment, the ways they cope with employment uncertainty, and their strategies for human and social capital formation.

Based on more than two years of extensive fieldwork in Silicon Valley, *Gurus, Hired Guns, and Warm Bodies* is an extremely detailed book, rich with thick description in which virtually every facet of the contracting relationship is explored and documented. The book's four sections provide comprehensive coverage of the contracting arena; challenge common conceptions about it; and explore the implications of recent developments for organizations, the employment relationship, contractors, and public policy in a new era of employment relationships.

Section 1 introduces the key actors: client firms to which contractors supply their services; contractors themselves; and staffing agencies that mediate between them. By carefully analyzing each party's motives and rationales for entering the contracting realm, the authors make a convincing argument that existing explanations for the rise in contract-based employment are simplistic and fail to account for the myriad pressures, expectations, and strategies guiding each actor's decisions. For example, much of the literature on organizational restructuring has emphasized the constant search for flexibility as the key driver for designing new employment arrangements. Barley and Kunda provide evidence that flexibility is but one of a host of considerations leading firms to embrace contracting arrangements.

Section 2 examines the implications of shifting the employment relationship from within the institutionalized confines of the traditional organizational structure out into the supposedly unconstrained and transparent market of contracted employment. Here, the reader is introduced to the changing role each of the traditional actors assumes (employees turned

contractors and employers turned clients) and the altered bargaining power associated with these roles alongside the emergence of a new actor—the staffing agency.

Having described the dynamics leading to the establishment of a contracting relationship, in the third section the authors focus on the characteristics of the relationship itself and on its meaning for contractors, managers, and traditional full-time employees. The logic of contracting, we are shown, does not follow a simple and coherent structure. Contractors are neither completely externalized from the organization and its social structure, nor truly accepted as an integral part of the team or project to which they are assigned. This highly ambiguous state is the source of a variety of organizational tensions exposed and explored in this section.

Section 4 focuses on the actual occupational and professional demands placed on contractors throughout the contracting cycle, highlighting the gap between the expected benefits from the contracting lifestyle and its reality. In counterpoint to some freedoms gained by taking leave of the traditional employment relationship are some protections lost, sometimes with drastic consequences for the contractor. One of the most notable repercussions is the new responsibility placed on the contractor to manage his or her career. The authors portray contractors as constantly engaged in maintaining their marketability by investing in what they know (human capital) and who they know (social capital). Strategizing about how to allocate time, which skills to upgrade, and how best to maintain essential contacts becomes an integral part of the contractor's workload. As Barley and Kunda convincingly argue, the contractors are freed from the shackles of the traditional organizational constraints only to be bound by an alternative and powerful social institution—the market.

*Gurus, Hired Guns, and Warm Bodies* makes a number of important contributions to the study of organizations, changing employment relations, and the world of contracting. First and foremost, it is a clear testament to the rich empirical and theoretical potential of qualitative research methods in general and ethnographic research in particular. The authors' extensive discussion of social capital is a good case in point. While much recent research has investigated how employee social capital influences organizational outcomes, exactly what social capital is and how it is accrued and used remain unclear. Furthermore, much of the

literature on social capital has ignored how its role in the workplace has affected workers themselves. Barley and Kunda's treatment of this construct gives it much needed substance and context, helping to reveal its unique contours. The authors' in-depth fieldwork and inductive approach provide a solid foundation for their theory regarding the relationship between the contracting work arrangement and how social capital manifests itself and influences contractors and their clients.

The ability of qualitative research to advance the understanding of complex social phenomena is also illustrated in Barley and Kunda's discussion of the benefits and costs of a market-based employment relationship. The authors provide an unconventional perspective on the long-debated question of what happens when the employment relationship is subjected to the forces of the market. Instead of siding with either the institutional perspective, which emphasizes the perils of contracting, or the free agent perspective, which emphasizes the contract relationship's promise, they expose the multidimensional nature of this market-driven work arrangement: on the one hand, technical contracting does provide contractors with increased autonomy and control over their work, but on the other hand, this form of work comes with new burdens. The authors remind both the institutional and the free agent proponents that reality, as always, is far more complex than either perspective acknowledges, and that theory should be founded on solid empirical evidence rather than on entrenched and stagnant normative, and to a large degree ideological, assumptions.

Ethnographic research has long been recognized for its capacity to illuminate previously unnoticed aspects of a given social phenomenon. By deeply embedding themselves within the social context they are attempting to understand, ethnographers have a unique vantage point from which to challenge commonly accepted theoretical frameworks. As traditional work arrangements are replaced by a variety of new arrangements, it becomes all the more crucial for organizational and industrial relations researchers to use research methods that are capable of capturing complex and nuanced relationships without being joined at the hip to the prevailing dominant theoretical paradigms. Barley and Kunda convincingly demonstrate that qualitative research is uniquely suitable for this task.

Like any scholarly work, this book has limitations. First, Barley and Kunda argue that the

conclusions they draw from their fieldwork on technical contractors in Silicon Valley apply to employment relationships at large. While we agree that the organization of work is changing dramatically, we are unconvinced that contracting is the sole or dominant manifestation of workplace change. In essence, Barley and Kunda underplay the variability of organizational restructuring models. Many organizations, for example, have been experimenting with internal changes to the design of work that rest on premises very different from those of the market-centered model. Among the well-documented examples of this form of restructuring are high-performance work organizations (HPWOs). Barley and Kunda's theoretical contribution rests on their analysis of the specific work arrangement they study. Generalizing their insights across work arrangements and occupational categories is unnecessary and oversimplifies the organizational restructuring landscape.

Second, despite the authors' claim that "if ethnographers have learned anything about social life it is that reality rarely comes . . . neatly packaged" (p. 24), the book tends to offer an extremely structured and packaged depiction of the contracting world. Barley and Kunda consistently break down their insights into neatly ordered and distinguishable categories. Perhaps this is because they are conducting their dialogue not with their ethnographer colleagues, but, rather, with the post-positivist organizational research community, which has grown accustomed to highly structured and orderly "box and arrow" depictions and explanations of the social world.

That said, *Gurus, Hired Guns, and Warm Bodies* makes an invaluable contribution to the study of contemporary organizations and the transformation of work. By taking full advantage of ethnographic research methodology's unique power, the authors uncover much new knowledge and provide new theoretical perspectives for understanding the way work is conducted and the implications of workplace change for the participating actors. This book is a "must read" for scholars, policy-makers, and anyone else interested in understanding the complex dynamics associated with a changing employment relationship in general and contingent work in particular. In addition, we highly recommend this book to all graduate students in the field. Barley and Kunda have once again proven that

the seeds sown by labor-intensive ethnographic research methods can bear rich fruit.

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*Deep Smarts: How to Cultivate and Transfer Enduring Business Wisdom.* By Dorothy Leonard and Walter Swap. Boston: Harvard Business School Press, 2005. 304 pp. ISBN 1-59139-528-3, \$29.95 (cloth).

This book is the culmination of an intensive multi-year field study of 35 entrepreneurial organizations at different stages of development. At its heart, the book is about knowledge management. The authors provide a thorough, insightful examination of the many facets of knowledge management within organizations, from individual learning to knowledge sharing to knowledge creation. Rather than simply offer a summary of their findings, they place those findings in the context of existing research from a wide array of disciplines, including sociology, psychology, organizational behavior, organizational theory, and human resource management. Their efforts have resulted in a book that is exemplary in several important ways.

First, the book provides a rich, multi-disciplinary perspective on what "deep smarts" are and how they are deployed within organizations. According to Leonard and Swap, deep smarts are forms of individual know-how based on first-hand experience and tacit knowledge that evolves over time and is shaped by individual beliefs and social interactions. Deep smarts are not only knowing what to do, but also knowing why or why not to do something; they are as much about understanding as about knowing. They are also about knowing who knows what—understanding the social network of knowledge within organizations. Most of us would agree that knowledgeable employees are potentially rich assets within companies when they are rewarded for using their knowledge. But do we really know how employee knowledge

and expertise are acquired? In this book, Leonard and Swap take us through a number of different organizational situations to highlight the importance of exposing employees to a wide array of experiences over time to facilitate the development of deep smarts.

Second, while Leonard and Swap provide a compelling argument for the importance of deep smarts within organizations, this book is much more than an overview of what deep smarts are and why they are important. Understanding what deep smarts are is a necessary but not sufficient precondition for unleashing their potential within organizations. Understanding how to develop and share deep smarts is where the true power of knowledge management lies, and that is where this book truly excels. Although the authors devote considerable attention to the nature of deep smarts and how they add value within organizations (Chapters 2, 3, and 4), in the remainder of the book they examine how the development of these deep smarts is enhanced, or constrained, by beliefs, assumptions, and social influences (Chapters 5 and 6), as well as how expert knowledge is shared and transferred to others (Chapters 7 and 8). Chapter 9 puts the concepts of learning, knowledge creation, and knowledge-sharing in the context of management and highlights many traps and opportunities to consider in managing knowledge and expertise. Leonard and Swap do not make the mistake of simply stating the obvious—that expertise is important, particularly in innovative companies. Rather, they show the reader *how* that expertise is developed in the context of employees' individual, occupational, demographic, and social backgrounds as well as through their organizational experiences. By emphasizing context, the authors correctly imply that there is no single one best way to develop deep smarts—each person and each company is unique, and developing deep smarts is shaped by the process of acquiring them. As a result, how deep smarts develop, and ultimately their nature, vary from situation to situation.

Third, even though identifying the link between organizational success and how employees are managed does not seem to be a primary objective of the book, the authors do thoughtfully consider it. While companies may differ in whether employees are viewed as a cost to be controlled or an asset to be nurtured, the growing shift toward knowledge as a basis for competitive advantage suggests that the latter may be more appropriate. From a practitioner perspective, Leonard and Swap do not disappoint.