Beyond Certainty:
Implications for Record-Keeping by Organizations

Owen Ambur, May 5, 2003

In *Beyond Certainty: The Changing Worlds of Organizations,* Charles Handy notes "Companies used to be physical assets, run by families and their helpers" but now "they are largely people, helped by physical assets." Moreover, he observes, "Owning people is ... wrong. Buying and selling people is wrong. The concept is out of date, just as the idea that a man owned his wife is now out of date." (p. 67)

Contrast those assertions with the current emphasis being placed on "human capital," as if people are indeed the chattel of organizations and should be treated as "investments". Under even the most charitable assumptions, implicit in such notions is a belief in the inherent inequality of people as individual human beings. People are simply not "a stock of accumulated goods" nor should they be treated as such.[1]

Continuing his line of argument, Handy notes, "...***ownership does not have the notion of stewardship attached to it*** ... under accounting principles, if you own something you are entitled to destroy it. Furthermore, if no one owns something then that something has no price ..." (pp. 68-69, emphasis added)

The notion that people in positions of power "own" those positions, since they presumably "earned" them, contributes to the psychology that they are beholden to no one and thus free to do whatever they choose with their authority – perhaps even surreptitiously, leaving no trace (record) of their actions. Indeed, it is commonly accepted that individuals in exalted positions of power are too busy with matters of too much import to be troubled with documenting their actions, much less their thoughts and intents.

To overcome the problems he cites, Handy suggests the need for a new organizational construct – the "existential corporation" – which he describes as "not a piece of property, inhabited by humans" but rather "a community, which itself has property." (p. 70) More and more, in the information age, enabled by the wonders of cyber space and time, the most valuable "property" owned by each corporate community is the records that are unique to it.

In support of such communities, Handy argues, "we need a wholesale review of the governance of our companies ..." (p. 74) In response to the question, "what is a company for," he says he cannot offer an answer. Rather, he suggests, "It is something that each corporate community must do for itself ..." However, he does suggest a universal principle: "To make ... life worthwhile one

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[1] *Webster's New Collegiate Dictionary* (1975) relevant definitions of the term *capital* are: 1) a stock of accumulated goods esp. at a specified time and in contrast to income received during a specified period ... also ... the value of these accumulated goods; 2) accumulated goods devoted to the production of other goods; and 3) accumulated possessions calculated to bring in income.

must ... have a purpose beyond oneself." (p. 75)

Implicit in that principle is the separation between oneself and the larger reality that is external to each of us as individuals. In that respect, a function common to all corporate communities engaged in business (as opposed to purely social) activities is the need to document and maintain adequate records of those activities. It is simply not socially acceptable or even logically possible for an individual or an organization to impose its own biased interpretations of reality upon anyone else at any point in time, much less at all times. Notwithstanding the humorous saying, it would be a dull soul indeed who could truly be fooled "all of the time" and it is generally a sad day if "all of the people" can be fooled even "some of the time".

Regardless of the *purpose* of a corporate community, Handy says, "Stakeholder interests will not count unless they can be counted..." and he means that literally.[2] Following closely on that thought, he reemphasizes, "Owning people is wrong. Companies are collections of people these days; they are communities, not properties." (p. 76)

So while it may be appropriate and necessary for organizations both to "count" and "count on" their employees to be their most valuable assets, it is not necessary or appropriate to treat them as property. Employees are among the most important stakeholders of all organizations, and for their interests to count, those interests must be "counted" – that is, they must be made explicit, in records against with the performance of the organization can be assessed, based in turn upon the records it creates in the routine course of its business processes.

With reference to corporate motivations and mores, Handy quotes Peter Morgan: "... the ethos of the company is the focus on survival... Successfully running a company is not like administering a bureaucracy. Companies must win every day in the marketplace, and conditions change every day in the market... Any company that is not working in a partnership to survive through the cooperation of suppliers, distributors, employees, customers, and the surrounding community would, in fact, fail." (p. 80)

The market will speak for itself and its voice will be heard in the results achieved by the corporation and its stakeholders. The question is whether the companies leaders will hear and heed the message while at the same time adequately documenting and linking those results to their own, personal performance in carrying out their obligations to the other stakeholders of the corporation.

Forces countervailing against the likelihood of such action include groupthink and the fact that the interests of corporate leaders as a group are distinct from those of other stakeholders. As Handy notes, the insidious impact of group-think "... can make a cohesive group oblivious to anything that they do not want to hear or see ..." (p. 89) This dynamic is facilitated by the failure

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[2] In their book entitled *Counting What Counts: Turning Corporate Accountability to Corporate Advantage*, Marc Epstein and Bill Birchard say, "the true test of an accountable organization is ... whether it measures performance quantitatively ... and reports it publicly to audiences inside and outside the organization." (p. 5)

of individuals and the organizations they comprise to create and effectively manage records documenting all of the realities that are relevant to their business, rather than merely those they may wish in self-serving fashion to “declare” to be records. It may not be that corporate leaders are either less diligent or more corrupt in that respect, but merely that the adverse impacts of their actions and inaction are disproportionate due to the power they exert over others.

With respect to the ethics of employment regardless of one’s station in the hierarchy of corporate power, Handy says, “I now believe that life-time employment is bad economics and bad morals... It would ... be more honest and more sensible to think in terms of specific jobs with fixed-term contracts of varying lengths ...” (p. 89) Toward that end, he suggests: “... the best of ... people no longer want to bind themselves to any organization for life, no matter how wonderful or all-embracing it claims to be. These people want to control their own destinies. Their loyalty is something that the organization needs to earn; it cannot be bought by the promise of security. ...to them security lies in their talent, not their contracts.” (p. 92)

While Handy’s use of the phrase “the best of people” is somewhat loose if one accepts the proposition that “all men are created equal,” his point is well-taken with respect to the skills we acquire in our lifetimes.[3] Presumably, at least in a meritocracy to which “the best of people” would subscribe, the “best” men and women will rise to leadership positions and should also be most subject to the dynamic he cites.

More to the point, however, their security, as well as everyone else’s, lies in the records providing a clear, accurate, and complete accounting of not merely of their “talents” but the results they have achieved through the application of those talents in the past. Talent does not speak for itself; results do ... in the records they create that can be tied directly back to actions taken by individuals. Without such records, there is no such thing as real security, only feeble and perhaps false images of it.

Concerning the cultural underpinnings of the new business regime, Handy observes: “... a problem-solving culture [is] one in which protocol and status are minimized, mistakes are things to learn from, colleagues are allies not competitors, and results are rewarded, directly and openly... the very basic ingredients of what people now call a learning organization.” (p. 100) Toward that end, he argues: “... a more radical re-think is necessary. ... the whole concept of owning a company is, today, misplaced... It is not appropriate to “own” collections of people... Companies are not, or should not be, possessions to be traded as commodities. They are communities. They need rules of governance, not of ownership.” (p. 107)

Obviously, such rules of governance must be clearly documented in records that are both readily comprehensible as well as readily available to the communities to whom they apply. In addition, governance itself is largely the practice of documenting conformance to established standards. However, it is not hard to understand why those who are profiting disproportionately from

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[3] In the *Declaration of Independence*, Thomas Jefferson wrote, "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness."

current, relatively poorly documented governance regimes may be reluctant to relinquish them in favor of a truly performance-based meritocracies guaranteed by reliable records of results.

In any event ***the best governance is the least governance required to achieve commonly accepted levels of personal behavior, and least governance is best accomplished by establishing systems that simultaneously free people to do as they choose while at the same time documenting their choices and the results of those choices. In such a regime, each individual "owns" his or her own behavior but the record of that behavior and its consequences for others is corporate property.***

Handy avers, "... the citizens of our workplaces are no longer hired hands or human resources to be deployed at will but individuals with wills and minds of their own." (p. 109) In support of the efficient and effective operation of the new workplaces, he notes the concept of "Federalism [which] is based ... on the principle of subsidiarity ... reverse delegation. Subsidiarity is the principle that responsibility and decisions should be pushed as far out and down in the organizations as possible." (p. 111) Indeed, it is a telling symptom of custom and groupthink that anyone one would think someone other than he or she ought to make decisions he or she is qualified and able to make for him or herself.

According to Handy, maxims for managing organizations derived from the concepts of federation include:

- *Authority must be earned from those over whom it is exercised.* (p. 50)

By definition, anything that is truly "earned" must be based upon the exchange of equal value and equality of values can only be ascertained in accordance with external points of reference, documented in reliable records.

- *People have the right and duty to sign their work*... both literally and metaphorically. (p. 50)

The formality of *signature* signifies that the individual accepts responsibility for the product of their work, perhaps proudly. In the case of electronic records, digital signature can also ensure that the record cannot be altered without detection, nor can the person affixing his or her signature plausibly deny his or her authorship or approval of the record in exactly the unaltered form that it currently exists. The latter is called *nonrepudiation*.

- *Autonomy means managing empty spaces*. Subsidiary and signature both imply a lot of individual discretion... Groups and individuals live within two concentric circles of responsibility. The inner circle contains everything they *have* to do or fail – their baseline. The larger circle marks the limits of their authority ... In between is their area of discretion, the space in which they have both the freedom and the responsibility to initiate action. This space exists for them to fill ... Of necessity, individual initiatives can be judged only after the event. Organizations prefer to control and judge things before they happen. (p. 52)

Many individuals may be slow or fearful to initiate action, but all of us would prefer to judge the success of our own actions based upon subjective criteria that we establish for ourselves, preferably after-the-fact, when the results are known. Current and complete records, both of performance objectives as well as actual results, limit our ability to do so.

Organizational officers, who are empowered to "control" and "judge" matters on behalf of organizations, are human beings just like the rest of us and are subject to the same personal motivations. However, since their span of control is wider, they have even greater incentives to avoid being inextricably tied to the records of their own performance, even as they endeavor to bind employees to commitments to future results. Thus, it is not surprising that corporate CEOs avoided affixing their signatures to their companies' annual reports until the Securities and Exchange Commission (SEC) required them to do so.

What *is* surprising is how highly compensated corporate officers are for assuming so little accountability and responsibility for stewardship of the longer-term best interests of all corporate stakeholders. Being fortunate enough to the join the exclusive club seems to bring with it the prospect of a no-fault/win-win proposition. The worst case scenario entails a golden parachute leaving the failed leader only marginally less wealthy, and still drawing a king's ransom from corporate assets, than if his or her leadership had been a resounding success.

- *Twin hierarchies are necessary and useful*. Twin hierarchies demonstrate the principle of interdependence at the workgroup level. There is, in every organization, a clear status hierarchy [as well as a] task hierarchy. (p. 53)

While it may or may not make sense in the cyberage for such a distinction to persist, as the market for information becomes more efficient, there is no justification for a dual standard with respect to the creation and maintenance of performance-based records in any event.[4]

- *What is good for me should be good for the corporation.* This is the twin citizenship principle brought down to the level of the individual. Professionals believe in what the Japanese call "self-enlightenment," knowing that if they do not continually invest in their own learning and development they will be a wasting asset. (p. 54)

No doubt, many lower-level employees are able to get away with violating this maxim, because the harm done is not sufficient to cause a blip on the organization's radar screen. However, again, what is surprising is that so many higher-level corporate officials are able to get away with it – because their span of control is not matched by the accountability that comes only from the creation, maintenance, and sharing of adequate records.

With respect to the proper role of corporate leaders, in the "language of federalism" Handy says: "There is a center, not a headquarters. The center does not "direct" or "command" but

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[4] For a discussion of the legitimacy of French and Raven's bases of social power in the information age, see http://ambur.net/French&Raven.htm.

"coordinates" and "advises." It is small and relatively invisible, leaving prominence to the local units." (p. 111) To support federalism, he observes: "Interdependence and a common language would be the principle in political theory. For business the common language is basic English and an all-encompassing information system which allows everyone to talk to everyone at any time. Technology removes the dependence on the center as a post office and makes federalism a real-time possibility." (pp. 111-112)[5]

Unfortunately, ***despite the new potentials afforded by technology***, he notes "... ***many ... do not welcome the gifts of responsibility, ownership, and accountability*** ..." (p. 123, emphasis added) One way to evade responsibility and accountability is to avoid creating and maintaining records of one's actions, thereby preserving plausible deniability. However, the growing use of information technology to carry out business processes makes it harder to abstain from documenting one's activities.

In support of his argument that large, centrally controlled bureaucracies may be outmoded, Handy cites Italy as potential model: "Family businesses ... form the backbone of the Italian economy. They are businesses which ... grow rich by doing small things well... Clearly, in Italy, you do not have to own everything in order to control or organize it. Alliances, based on mutual advantage and nothing more, work as well and much more cheaply." (p. 142)

Moreover, even when greater resources are required, he suggests less formal arrangements may suffice: "Where bigness is necessary, for R&D, for major capital projects, for global presence, then alliances – from joint ventures to franchising – can work as well or better than a centrally planned organization, even though there can seem to be more hassle in alliances with power so widely spread." (p. 143)

Notwithstanding the complexities associated with the new business regime, Handy avers: "Perhaps we should be more aware of the ***instrumental fallacy – the danger of treating people as instruments, as tools for the organization's purpose or for society's goals, as cogs for the machine, instead of as individuals with names, individuals who want to make a difference, who want to keep personal control over their lives and futures***." (p. 143)

Instead of using such terms as "human capital" and continuing to try to control the behavior of others through bureaucratic organizational hierarchies, what we should be managing are the records that each of us is creating (or should be creating) in the normal course of business

[5] As Handy suggests, technology offers the potential for comprehensive, all-encompassing, real-time communications. However, in actual practice, the reality is still quite different. While myriad records are being created, they are commonly kept in systems commonly known as "stovepipes" or "information silos" because the records are maintained in proprietary formats and/or the systems use incompatible software that does not interoperate. To overcome those problems, many organizations are now pursuing "enterprise information architectures." However, in an increasingly interconnected world the boundaries among organizations are becoming blurred and no "architecture" is likely to suffice unless it is based upon *international* (worldwide) rather than "enterprise" standards for interoperability.

in carrying out our obligations and commitments to each other. To the degree that our business processes are already being conducted by electronic means, such records are automatically being created and it is relatively easy to manage and maintain them – if only we have the *will* to do so.[6]

Handy observes, "We have traditionally fit the people to the work; now we may have to fit the work to the people, as they become our key assets. One way to do this is to divide the work of the organization into stand-alone tasks, projects, or assignments." (p. 147)

It is noteworthy that one definition of the term "document" is "the unit of work within a defined business process."[7] Another definition is "data in context." Without context, data is meaningless. Thus, particularly to the degree that our work products are information, it may be logical to extend Handy's argument to suggest that the focus should be on discrete documents (records) or sets of documents (record series).

Continuing this line of reasoning, Handy suggests, "Maybe we shall have to break our habit of herding all our people into the same building at the same time to do their work. It will, one day, be quite simply too expensive." (pp. 149-150) Instead, ***we should focus on "herding" all of our records into corporate records management repositories with well-ordered indices reflecting the information taxonomies that are meaningful to each organization's stakeholders***, rather than the bureaucratic structures that are of importance only to those in favored positions of power within the corporate hierarchies.

Handy cites one study estimating that more than 50 percent of all jobs in Britain could be performed partially or completely remotely. With respect to the social nature of work, he notes, "... the average office worker in Europe spends 54% of the time working alone ... almost exactly the same in both the United States and Japan." (pp. 150-151)

By contrast, Brown and Duguid observe that "information and individuals are inevitably and always part of rich social networks ..." (p. XXV) They argue, "in celebrating access to information, pundits may undervalue the power of the technology to create and deploy social networks." (p. XVII) Moreover, they suggest, "for certain aspects of work and learning, encounters with peers or mentors, while no longer inevitable, remain invaluable." (p. XIX)[8]

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[6] This is one in a series of papers questioning not only whether those in positions of power have the will to create and maintain good records, but also the rest of us – since each of us possesses some degree of power within our own sphere of influence. The rest of the series is available at http://ambur.net/index.html#recordkeeping.

[7] This definition was coined by the Black Forest Group, representing some of the largest companies in the world, which came together under the auspices of AIIM to identify the requirements for electronic document management systems. For other definitions, see http://ambur.net/ASIS/KMvalue.html#slide7.

[8] *The Social Life of Information*, by John Seely Brown and Paul Duguid.

While it is doubtful Handy would disagree with them on those points, he emphasizes, "Above all ... learning needs reflection." Indeed, he suggests, "Learning is 'experience understood in tranquility'..." (p. 155) And in that regard, he notes:

> There is precious little tranquility in business these days and, therefore ... too little understanding of what has worked or not worked in the past, and of what might work in the future. ... "incidental learning" [is] learning from the incidents in one's life and work. It has to be organized ... because the time for it does not come naturally; but it could be that this time for reflection, for incidental review, by individuals with their groups, would do more to improve performance than any number of appraisal interviews. (p. 155)[9]

Indeed, the latter observation may be why ***those with personal insecurities (which includes all of us, to greater or lesser degrees) may prefer to delegate responsibility up the chain of command, to the point where it cannot possibly be effectively managed***.[10] Doing so may be far less threatening than taking it upon ourselves to engage in thoughtful reflection, aided by complete and unbiased evidence of the results of our own actions and inaction.

As organizations strive to overcome the dysfunctional nature of these dynamics, Handy suggests: "Typically, someone will soon receive an annual pay packet made up of four parts – a basic rate for the job, a share of the corporate profit, a share in the group bonus, and a personal bonus for personal performance." (p. 166)

Hopefully, the shares of corporate profits paid to employees will be based upon a more accurate accounting than has been evidenced in many recent reports of corporate scandals whose aim was to artificially boost stock prices to inflate the compensation of high-level corporate officers. Indeed, being expected to share such false profits with employees would in and of itself provide a natural incentive to report them honestly, to avoid overcompensating them on the one hand while avoiding artificially deflating stock prices on the other.

Likewise, one might hope that both one's individual as well as group bonuses would be based upon a true and accurate accounting of respective contributions to the greater good of the organization as a whole. In any event, ***all compensation should be paid based upon records having the attributes outlined in ISO 15489*** ... and nothing else. Indeed, anything else, by

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[9] Donald Norman discusses two forms of human cognition – experiential and reflective – and he suggests the greatest danger is that people may rely upon experiential cognition when they should be engaging in reflective thought. In short, he suggests we may prefer to be entertained than to take the time and trouble to think rationally. http://ambur.net/smart.pdf.

[10] In *The One Minute Manager Meets the Monkey*, Blanchard, Oncken, and Burrows humorously chide managers *not* to accept "monkeys" (problems) their subordinates try to delegate upwards to them, lest they render themselves ineffective to carry out their management responsibilities. Blanchard and his colleagues define "management" as "getting things done through others." (p. 98) And they emphatically assert, "All monkeys must be handled at the lowest organizational level consistent with their care and feeding!" (p. 68)

definition, is subject to bias, favoritism, and inappropriate manipulation, if not outright waste, fraud, and abuse – since it is based upon something *other* than reliable evidence.[11]

In the new business environment, Handy holds, "... a person is only as good as his or her last two or three assignments." No doubt, that thought is fearful to those who question their own abilities and contributions, particularly if they have managed to rise to the upper levels of bureaucratic hierarchies and may prefer to rest on their laurels (and inertia).[12]

However, rather than basing employment upon past commitments to inflexible, long-term understandings, Handy suggests, "It might be more honest and more healthy to introduce a series of fixed-term contracts, renewable and renegotiable ..." (p. 167) Toward that end, he notes: "Portfolios, the idea that one's work is a portfolio or collection of projects, clients, or products whose mix varies over time, are becoming an increasing career option as more and more people work outside the organization by choice or force of circumstances."[13] (pp. 171-172) Indeed, Handy suggests:

> The statement "our people are our greatest asset" might just be beginning to be literally true, with consequences that are unforeseeable... "means of production" [are] now literally in the heads and hands of the workers... It turns capitalism on its head... ***you cannot own people's brains. You cannot, in a democratic society, prevent them from taking those brains elsewhere. You no longer control your assets as you used to do. The assets own themselves***. (pp. 183-184, emphasis added)

Acknowledging the logic and humanity of Handy's point, ***it is much easier to justify the notion that organizations own as corporate assets the records created by their employees (and contractors) in the normal course of carrying out the business processes for which they have been equitably paid. Indeed, an organization that fails to capture, organize, and maintain such records is unduly exposing its stakeholders, including its employees collectively, not only to the loss of corporate knowledge – which may be its most important asset – but also the risk of uncontrolled liability in legal proceedings***.

Organizational leaders who fail to take a direct and active role in ensuring the efficient and

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[11] For a discussion of John Case's arguments in support of the merits of open-book management, see http://ambur.net/openbook.pdf.

[12] In an article entitled "The Depression Suite" appearing in the May/June 2003 edition of *Psychology Today*, Hara Estroff Marano writes, "For a shocking number of CEOs, getting to the top brings only crippling emotional bleakness. Indeed, success has surprising psychological traps for almost all senior executives."

[13] It would be good to initiate an national/international campaign focusing on student portfolios so that, by the time young people enter their professional careers, sound records management principles and practices become second nature to them. For information on student portfolios, see, for example: http://www.ed.gov/pubs/OR/ConsumerGuides/classuse.html.

effective management of records are not leaders at all, except perhaps of the cheerleading and/or corporate blood-sucking varieties. ***Effective management of records is a strategic imperative for all organizations in the information age!***

Handy suggests, "... the growing importance of people assets will turn more and more corporations into networks of project groups, a sort of corporate condominium, collections of temporary inhabitants clustered together for mutual convenience, for a time." (p. 185) With respect to a common clustering of the "inhabitants"of "corporate condominiums" in large headquarters operations, Handy observes: "...a center that controls everything but does nothing, a center with all the formal power but without the leadership to use it positively... is a recipe for unlimited 'negative power' and an invitation to corruption... Negative power haunts the corridors of every large organization." (p. 195)

Indeed, of late the inhabitants of such centers have been the subject of myriad scandals the negative power of which has deprived many employees of their jobs and many stockholders of vast wealth. The scale of such loss is undoubtedly beyond anything Handy envisioned when he wrote: "Big centers ... with their proliferating bureaucracies, often stifle movement. Energy comes from power, but without the power to make changes, to create and to initiate, the only energy around comes from negative power. Politics and corruption abound in such places." (p. 196)

However, his words were certainly prophetic with respect to the common reaction of many corporate leaders whose misdeeds have been exposed. In contrast to the Japanese, for example, where leaders are expected to apologize and take personal responsibility for corporate failures, Handy characterizes "our, legal tradition" as follows: "Never explain, never apologize ... Let them snigger, let them gossip behind your back, let unfounded rumors spread, it is all better than admitting to a mistake and accepting the consequences." (p. 176) That tradition is yet another motivation for the failure of organizations to create and maintain good records. It is much easier to deny that for which reliable evidence is lacking.

To invoke the necessary change, Handy suggests: "The answer to all this is easy to give, but hard to implement. Shrink the center. It should be stronger but smaller, offering more leadership and fewer licenses, concentrating on 'where to?' and 'what for?' not 'how?'" (p. 196) More to the point, ***the leaders at the center should focus on specifying the corporate data schema*** (i.e., the elements of information that define the corporate interest) ***and making sure the records generated around those elements are well managed, used, and leveraged to corporate advantage – as a matter of the utmost strategic importance.***

Handy says, "... trust costs less than licenses. Small centers rely on trust; trust that the others are competent, trust that they will act in the best interests of the organization." (p. 196-197) However, ***real and rational trust comes not from some vague notion of competence but, rather, from performance – as evidenced in records documenting the fact that stewardship of corporate interests has been faithfully and successfully carried out***. Lacking such evidence, trust may be sadly misplaced and is uncertain at best.

Handy suggests, “Organizations with small centers must be fanatical about selection, training, and communication – all the soft skills of the new organizations.” (p. 197) However, they should also be fanatical about documenting and measuring the performance of individuals as well as task groups. Otherwise they risk being all talk and little action ... warm and fuzzy, but ineffective.

Handy avers: “We used to design organizations to prevent people from making mistakes. We now try to design them to help people make a positive difference.” (p. 197) Among the most important things that can be done in that respect is to ensure that people have the information they need to make well-informed decisions, information contained in corporate records having the attributes outlined in ISO 15489. Moreover, implicit in the notion of the new organizational design characteristic of which Handy writes is the need to balance new freedoms and delegations of authority and responsibility with accountability. And accountability also means records.

As distinguished from commercial enterprises, Handy observes: “It used to be that government and the public services, what one might call the noncompetitive sector, was a reliable source of jobs, unhindered by too much insistence on productivity because the output couldn’t really be measured. Now, however, we have re-competitioned government, turning everything ... into independent enterprises, judged by the way they turn their inputs into outputs, just like any business.” (pp. 199-200)

This is one reason that people in noncommercial as well as commercial enterprises do not want their performance well-documented in corporate records, because it subjects them to scrutiny and comparison to others. In short, particularly in commercial enterprises but more and more in government agencies as well, they fear not only for their sense of self-worth but also for their jobs. On the other hand, Handy suggests: “There is work out there if we were able to turn ourselves into tiny independent businesses – ‘portfolio people’ ... with a portfolio of clients and products. The trouble is that we prepared ourselves for a world of jobs, not customers.” (p. 200)

Just as organizations cannot own employees neither can “portfolio people” own their clients. ***In information-related businesses, the only truly valuable assets that people or organizations can own are the records they themselves have created and/or acquired for just compensation***. Handy concludes: “... ‘virtual organizations’ ... do not need to have all the people, or sometimes any of the people, in one place in order to deliver their service. The organization exists but you can’t see it. It is a network, not an office.” (p. 212)

In this life, certainty may be an unattainable ideal. Certainly, it is often an illusion of the mind spawned by psychological and sociological needs and desires. By contrast, in virtual organizations, results speak for themselves – in the records created and made readily available to organizational stakeholders. Indeed, that is exactly why many people at all levels of organizational hierarchies prefer more traditional bureaucratic structures, where they can “see” and at least maintain the illusion of having some degree of control over the network in which they operate. Confronted with the prospect of facing cold reality as documented in reliable records, it is understandable that many people choose the devil they know over one their personal insecurities warn them may be worse.