

The Use and Abuse of Business History

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The use of history in vocational undergraduate courses is contested. Although there has been a recent push to bolster the teaching of history in Australian secondary schools, history in business courses still often seems only to linger at the margins. Pleas to include historical approaches to business education are made from time to time that suggest a role for history in the curriculum that is essentially not historical – they often highlight the skills history students develop or the broader humanistic understanding usually associated with historical knowledge, not necessarily ones based on what is unique to history. This paper argues that historical analysis is essentially different than that represented by other traditional disciplines and that this fundamental aspect of history should be at the core of arguments to include business history in course curriculums.

When asked to justify management history courses, the usual recourse seems to be to assert that history is important to business graduates' general education, to their training in citizenship, for their broader education in public morality and the public mind.¹ Such claims, although widespread, seem inherently unable to respond to the obvious counter-claim, however: 'if students want to study liberal arts, there are arts faculties for that'. No matter the recent cutbacks which have soured arts faculties right across the country. Management history (like business history in general) often seems unable to articulate a clear purpose, a justification for assuming a (key) place in the business curriculum. In this manner business history is reminiscent of business ethics: if business students are to be taught ethics, why not let them take applied ethics units in arts faculties?² To some extent claims that business history will be 'good for students' often sound like special pleading – more a reflection of the (antiquarian) interests of the academic who wants to teach the course, rather than a well-articulated argument for including business history in the curriculum.

It seems to us that an assessment of the role of IBM in the Holocaust might be of some moral utility in an undergraduate business degree, but we are less than sure that such failings should form the core for an entire unit of study.³ Nonetheless since 2005 RMIT has made the study of management history compulsory for first-year management students, a radical departure (we understand) from typical models of management curriculum. It used to be the case that economic history was seen as a key feature of an economics major, much as the history of education was once taught to would-be teachers. Yet there has been a pronounced swing away from history in the curriculum in most areas of the social sciences since the 1950s. After all, history is boring if you are a teenager – the present and (particularly) the future are much more engaging. So why inflict historical study on undergraduate business students?

The first-year RMIT management unit History of Management Thought was introduced in 2005 as part of a shake-up of the management (formerly business administration) degree. Most 'Management 101'-type subjects will include a historical facet of course, but a whole introductory history of management unit seems unparalleled elsewhere in Australia, let alone the broader English-speaking world. The introduction of the subject was part of a radical reassessment which arose when considering limitations which had been noted in the pre-existing business administration program structure. The introductory management course it replaced used a typical first-year textbook and was structured with a strategic focus in mind, i.e. one where the elements of management were introduced along the 'structure follows strategy' line of business historian Alfred

Chandler.⁴ Instead of following such a theme, History of Management Thought simply introduces management theory in the order it developed. As such it is closer to an intellectual history course (such as a history of political thought) than a typical introductory management unit.

Coming from backgrounds in ‘capital-aitch’ history, we find this unit rather different from the kind of subject offering we took as undergraduates. It is limiting in some ways, but unlike a typical history unit, it is immediately practical. Convenors of second year and above courses also noted an immediate rise in the discussion level and knowledge bases of students after the introduction of the subject. Students now know their Taylorism, they remember their Druckers and their Demings. They seem to retain much more than just the Maslowian hierarchy of needs, the key ‘take-away’ (as opposed to ‘learning outcome’) of most first-year management units.

This is a history quite unlike that taught in arts faculties. Although much is spoken about ‘varieties of history’, the history of business (and from our perspective, especially business management) is rarely considered by capital-aitch historians. The 2002 survey *What is History Now?*, for example, does not mention business (or even economic) history.⁵ Although we might see labour history squeezed into its (slightly odd) survey of social history, the rest of the history which might be considered part of the broader business discipline is curiously absent. We can see politics in the collection listed under (at least) ‘political history’, ‘gender history’ and ‘imperial history’, but business is a notable absence from its editor David Cannadine’s purview. The book offers a reassessment of E.H. Carr’s landmark *What is History?*, however, rather than attempting to survey the entire historical field.⁶

History units can usually be defined either as periodic or thematic. A history of modern Germany is periodic (usually covering the years 1871-1945 or the like) whereas a history of sexuality is thematic. Yet none of the major twentieth century surveys of history as a discipline or considerations of how to be a historian feature mentions of business history. G.R. Elton was a specialist in early modern British history, R.G. Collingwood a classicist, Ted Carr a Russianist.⁷ Would any of them recognise a need for history in a business curriculum? Even Carr’s historical survey of the development of the Soviet Union has little in it that might be considered business history – he focuses on the institutions of the Soviet state, but is less interested in the Stakhanovite movement or Stalin’s thoughts on motivation and the notion of equal pay.⁸ But then a quick look through the pages of a periodical such as the *Journal of Management History* indicates quite strongly that management history is seen by many of its proponents in a manner very unlike academic historical studies of the capital-aitch sort.

Sir Geoffrey Elton was an empiricist of the Whig or liberal-positivist variety and is perhaps intellectually closest to the kind of history that seems most characteristic of the *Journal of Management History*.⁹ Elton is best known (apart from his rivalry with Carr) for his studies of Oliver Cromwell and the origin of the modern bureaucratic state.¹⁰ A German Jew by birth (born Gottfried Rudolf Ehrenberg), Elton was a political conservative who saw in Carr’s *What is History?* a Marxist betrayal of the empirical tradition. Elton’s pin-up boy was Leopold von Ranke, not Marx. History for Elton was rational, empirical, scientific, logical, positivist – and above all crafted, well written.

Yet Elton himself would scarcely recognise the history of the kind that is represented in the *Journal of Management History* (or at least as scholarship purporting to represent his sort of history). More often than not the kind of historical study displayed in business studies might be described as capitalist antiquarianism rather than a fully modern and developed notion of historical study. Management historians are often not only guilty of writing history with ‘the Left written out’,¹¹ but also what Clifford Geertz criticised as ‘thin description’.¹² It is often surprising to us to notice how limited, how curmudgeonly much

business history is, how lacking it is in context, skill, nuance, theory. Indeed Daniel Wren, the author of the only full survey of management history, has clearly written his book (the textbook for our course) in what appears to us to be a curmudgeonly manner.¹³ After all, his history is not just a Whig history, it is proudly revisionist, white, Western and male.

Wren's text is revisionist in that it tries to justify child labour in the Victorian age, it criticises the New Deal from a conservative perspective, it assails early US trade union leaders, it bemoans the 'robber baron' attacks on heroes of US industry and asserts that Catholic and African Americans are often less business-focused than are Protestants and Jews. Our students often find Wren's work racist and sexist, not to mention jingoistic – more a hagiography of Taylor and his followers than a critical, mature and balanced assessment of their contributions and work. Wren's book has no truck with what has come to be known in this country as 'black-armband history'.¹⁴ Instead it is filled with winners, gridders and greats. Indeed it even has a dog-whistle quality to it sometimes that can be quite alarming.

Wren writes from a deliberately American positivist perspective – his is a book very much in the tradition of manifest destiny. But his survey is used widely in graduate programs internationally as we are reminded from time-to-time by Asian-born colleagues. It is particularly good in its coverage of early management thinkers (Taylor, Fayol, Mayo and Follett), but is rather poorer when it comes to postwar contributors (Maslow, McGregor, Herzberg, Drucker, Mintzberg, Deming, Porter). Elton may have considered postmodernism the 'intellectual equivalent of crack',¹⁵ but there is little in Wren's book that Elton would recognise as history, even if they may have shared some political values.

Wren's book tells a story and is filled with pictures of management thinkers – and in this way it is quite unlike comparable histories of ideas. Sabine and Thorson's *History of Political Theory* is decidedly less narrative, for example, less graphic and less low-brow than is Wren's work.¹⁶ This might not be such a bad thing as Sabine and Thorson's text might seem unteachable to business educators and publishers today. Sabine and Thorson were primarily interested in content, not engagement, and their standard political science text is high-brow in the manner of a work of Elton's. It assumes that students are there to listen and to read, not to be indulged and entertained. Presumably the colour and the wit of such a political science unit are to be supplied by the instructor, not the text. No case studies, learning outcomes or revision questions appear in typical intellectual history texts. But then neither do modern accessories of this type appear in the graduate survey of Wren (they come as freebies for the instructor instead).

R.G. Collingwood famously claimed that one of the key attributes of a historian was historical imagination. Influenced by the neo-idealism of late nineteenth century German historians,¹⁷ Collingwood (an expert in Roman inscriptions) warned that no history should be understood as a dry collection of facts – to understand the past is (at least in part) to imagine it. Collingwood's notion of historical imagination did not necessarily mean a call for the ideologisation of history, however – it merely represented a new kind of historicism, an approach to history which is rarely evident in business history today.

In the nineteenth century, much intellectual production was historicist. Max Weber is perhaps the classic example of the influence of nineteenth century historicism and how it lost intellectual appeal as the new century dawned.¹⁸ It is quite clear in Weber's early work that he primarily conceived sociology as a form of historical study. It is hard to see his *Protestant Ethic and the Spirit of Capitalism* as anything other than a nineteenth-century-style historicist treatise, nationalistic, liberal and anti-Catholic as it may have been.¹⁹

Towards the end of the century, however, Friedrich Nietzsche had called for the end of this kind of historicism,²⁰ and it is in the writings of seminal theorists such as Weber that it is particularly clear that a break with historicism did ensue. By the time of his death, Weber no longer saw history as the explanation for sociological phenomena; rather than

seeing the present as an ineluctable product of the past, by the 1920s Weber had increasingly come to see history as a past sociology.²¹ Sociological facts were no longer created by their past in the late writings of Weber – instead sociological facts of the past were now seen as parallels to the sociological facts of the present day. Bureaucracy should not now be principally understood in the manner in which Elton would later argue that it had developed, but rather as a sociological phenomenon rooted in rationality that in effect transcended time.²²

The clearest enunciation of the end of historicism, however, is not to be seen in the works of Nietzsche, Weber or even Karl Popper,²³ but in the *Course in General Linguistics* of Ferdinand de Saussure.²⁴ Saussure was a historical linguist by training, primarily interested in the development of language, his *Dissertation on the Original Vocalic System of the Indo-European Languages* a key work in the development of linguistic structuralism.²⁵ In his *Course* (posthumously compiled from lecture notes by his students), Saussure opposed historical explanation with system: the way in which French speakers speak French today is not consciously influenced by how their fifteenth century ancestors did. Saussure argued that languages were synchronic systems that changed over time. The nature of that change did not influence how a modern speaker talks: he directly opposed the diachronic to the synchronic. One could thus validly study a language (i.e. in terms of its synchronic system) without knowing its history at all. In other words, the historicist notion that the present is best to be understood in terms of the past was redundant and wrong: social science could dispense with nineteenth-century-style historicism.

As Saussure and Popper and later thinkers would realise, social sciences like management can be taught without a historical facet. And given that teenagers do not necessarily make natural historians, one might question whether there is any role for history in a modern social sciences curriculum. But Saussure did not claim that the diachronic aspect of language should be ignored – that it no longer had any meaning for the social scientist. Historicist (or diachronic) accounts of social phenomena like language were merely different than synchronic (i.e. mechanistic, modernist or ‘presentist’) ones. One does not need to study accounting history to be an accountant, management history to be a manager.

Yet diachrony is not merely a traditional intellectual perspective, it is a particularly revealing one. One of the key criticisms of nineteenth century historicism is that it led to a sense of scholastic predestination – it could be disempowering to think that every facet of life existed because of the ‘heavy hand’ of history. For political radicals, history could only too readily be confused with conservatism. We have a Queen for historical reasons, reason enough to keep the monarchy a historicist monarchist might argue.

Yet history of the type that does not accept a Whig narrative is the very opposite of conservative history. Most history as it is practised today in capital-rich history institutions aims to be critical, moral, empowering and radical. Although history as it is represented in *What is History Now?* seems diametrically opposed to the history of an Elton or a Wren, such history is deliberately framed as a history that is socially useful. Such history is history warts and all that acknowledges alternatives, mistakes, high-brow and low-brow. It questions whether the great men of a Wren or a Thomas Carlyle²⁵ were really that great, what their influences were, their failings as well as achievements. It is not revisionist as it does not seek to apologise for moral scourges: child labour, racism, social inequality. It may seem all a leftist critique to some, but that does not mean that history in business faculties should represent a discipline impoverished by conservative reaction – or even just plain poor quality.

The most popular subjects in history departments are usually those that deal with events which remain large in the collective consciousness. No one has to worry about declining enrolments in units which survey the history of Nazi Germany or the

development of terrorism. Such courses are essentially focused on moral critique – the opposite of how a conservative might construe business history. But a conservative history of business practice will surely suffer from all the theoretical and conceptual hurdles which cruelled nineteenth century historicism. Moreover, few students are likely to be drawn to a unit conceived in a manner such as Wren has – they will naturally find an unreconstructed Whig history of management thought old-fashioned and useless – critically disengaging and passé.

Business history we contend can neither be as radical or moral as a history of the Holocaust should be – IBM's complicity in the Final Solution is scarcely a central concern of modern management thinking. It should not be historicist in the manner envisaged by Elton or even, we contend, by recent defenders of the teaching of management history. It should instead focus on the diachronic, as a logical (and conceptual) foil to the synchronic. Most of the business curriculum is conceptually synchronic and few business students are ever made explicitly aware of why the modern systems they study exist, or even how they might change. A diachronic approach to business studies necessarily entails a very different intellectual perspective on key issues in the business curriculum.

If change is validly to be accepted as an ever-present theme of modern society, then synchronic thinking is inherently limiting – a conceptual framework which favours the status quo. With all due respect to those who consider themselves 'futurists', the only empirical perspective we have on change is diachronic – and hence is essentially historical. The unit we teach at RMIT is explicitly conceived and taught as a diachronic subject: we study management thought which was developed in the past in order to critique it, question it and consider whether (and how) it may (or may not) be relevant both in today's and tomorrow's organisations. We do not teach management history because we believe that those who do not know the past are cursed to relive it even if we may be partial to overtures to pygmies on the shoulders of giants (and the like). We do it to provide a diachronic awareness and perspective on the present – that is the key role of our unit in the business management curriculum. If our students also become aware that historical narratives can be contested, that men like Wren present (only) a particular political perspective, then that is an advantage, but not a key management curriculum goal. We do not share a perspective on the past at all like that which is represented by the *Journal of Management History* as it presently stands – we want the histories that we write to be nuanced, inclusive, critical and (above all) accessible and well-written. But we do not confuse what we think history is or should be with what particular value history has contrastively to other approaches represented in business curriculums. Beyond the world of powerpoint, case studies, referencing and essays, we above all maintain that the role of the educator is to open up to students new ways to perceive and to think which they will find valuable in the future, not just the mentalist's eternal synchronic present.

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Endnotes

- * This conference paper (full version) has been double-blind assessed by two referees.
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