

**RETHINKING CORPORATE AND BUSINESS/MANAGEMENT
HISTORY IN THE UK**

Education and industry in Britain bequeath little business inheritance, so every generation has to start from virtual scratch. This neglect has expensive implications for national prosperity.

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“You’ve not had 30 years’ experience. You’ve had one years’ experience 30 times.”

- depiction of British industry after more than three decades of dedicated management education -

A 20-POINT PLAN TO GALVANISE EXPERIENTIAL LEARNING FOR THE 21ST CENTURY

Abstract

When it comes to industrial performance, one of the most unresolved questions in the UK today is why this once all-powerful business machine languishes in the second division of OECD nations. This Paper, which is based on the author’s book “Corporate Amnesia”¹, suggests that part of the explanation lies in a pervasive and distinctive cultural deficiency that could be remedied through the application of a branch of learning neglected as a teaching tool.

The cultural deficiency is the UK’s acknowledged disinterest in business and its practice, a malady that is reflected in its decision-making abilities, productivity and enterprise behavior. The suggested remedy is the more effective use of corporate and business/management history.

Experience has always been a corporate imperative in the pursuit of decision-making excellence. Experiential learning - the process of learning from one's own and others' experience - is fundamental to this aspiration. For the process to take place efficiently, it is necessary to have *accurate* recollection, a state that is invariably flawed by the absence of a recorded heritage compounded by short and selective memory recall and by what academics have identified as defensive reasoning. In these circumstances – otherwise called corporate amnesia - the *only* formalised recourse is through *skilful* historical testimony.

In the world of business, the most portable repository of institutional experiences – or Organisational Memory (OM) - is the classic corporate history. In countries where there is a tradition of this discipline, the typical rendition is as a celebratory/valedictory vehicle for an important anniversary or the retirement of a founder or high-profile executive. And because their assembly frequently requires both subject-company funding and subject-company co-operation, their integrity is routinely suspect, often with justification. The result is they have little application outside public relations and their potential role as a means to help companies and countries benefit from hindsight is largely lost.

For businesses, which have to subsist in a highly flexible labour market, the consequence is the wholesale dispersal of their own special know-how on average every four years and the inevitability of having to re-invent themselves on a regular basis. The modern conviction that this is constructive flags up the question whether or not progress is incremental. It also goes to the heart of the debate between

those who think that industry can learn from the past and those who think that old lessons are misleading or irrelevant because times change. This Paper's proposition is underpinned by the views of two luminaries in industry and academia. J.G. Pleasants, a former Vice President of Proctor & Gamble's² conviction is that *"No company can afford the luxury of re-discovering its own prior knowledge"* whilst Harvard scholar Alan Kantrow³ says: *"Like it or not, the past infects the world we live in, the decisions we make, the very choices we see to lie before us. If we ignore its influence, we do not escape its power. All we do is remain to some extent its prisoners without ever really knowing that is what we are."*

The absence of both corporate history and broader-based business/management history in the educational curricula is also pervasively infective at a wider, national level, not least as a restraint to proliferating the culture of enterprise; new entrants to the economy, for example, have little business inheritance - and the instinctive behavior that might otherwise emanate from these role models has to be re-learned. Both circumstances are expensively unproductive.

Specifically, this Paper argues that the dearth of good corporate and business history has an unhelpful effect on wider attitudes to commerce and industry – and, subsequently, on economic development and industrial efficiency.

Alongside practical recommendations to galvanise experiential learning in the UK, this Paper also advances the notion that accurate, authoritative and readable corporate history, individual biography/autobiography and broader-based business/management history is a highly effective business development tool that is being neglected by industry and commerce, and universities, including business schools. Their more professional application would be a powerful way to compensate for the educational system's widespread attachment to theory and help bridge a marked enterprise and productivity gap in the UK. The choice of Great Britain as the subject of this Paper is coincidental upon the author's UK residency and long-time involvement in British and European Community industry. Many other countries are equally negligent in the efficient use of their prior business experience as a learning tool.

AUTHOR

Arnold Kransdorff is the innovator of the business concept known as corporate amnesia. His book on the subject ("Corporate Amnesia", Butterworth Heinemann, Oxford ISBN 0 7505 3949 0, Cite Publishing, Taiwan ISBN 957-667-810-2), which addresses the wide neglect of corporate and business history as an educational and management tool, was short listed for the MCA's 'Management Book of the Year' prize in 1999 and selected as one of 800 titles worldwide to launch Microsoft Reader eBooks program in 2000.

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INTRODUCTION

Oxford don Charles Wilson's 1954 corporate history of Unilever, which was the first important post-WW2 company biography to be produced in the modern style, almost certainly marks the point at which the recent generation of Britain's academic corporate and business historians started trying to establish corporate, management and business/management history as a valid experiential learning tool in the UK. Nearly 50 years later, there is still little perceived demand for the genre, in spite of the fact that the UK hosts the world's oldest industrial economy and a supposedly sophisticated education system.

The core problem is that British industry remains widely disposed towards non-reflectiveness while management and business educators are still wedded to methodologies dominated by macro-economics and quantitative analysis. When case studies *are* used (usually American or Japanese), they are usually no more than summarised snapshot examples to explain the workings of some functional management discipline, an approach that inescapably disaggregates their inter-relationship with other management factors and influences. The wider contextual picture illustrating the more complex and intimate nature of running a real business is studiously avoided.

Alongside this are production and perception issues that overlay a national characteristic fashioned by widespread workplace insecurity. When corporate or management histories – the rootstock of wider-based business and management history - are researched and written by university-based academics (as distinct from graduates in the non-university sector or non-graduate historians), the output is invariably exceptionally heavy-handed, often written in what is known in non-academic circles as '*PhD-speak*'. Although more readable when researched and written by professional writers (who may include graduates), their work is automatically considered not authoritative enough for serious application in industry or education, often with good reason. In both cases, they are usually conceived without any meaningful application, mainly because companies and authors are unacquainted with their potential usage beyond being a celebratory vehicle for an important anniversary. Either way, and however accomplished are the works they produce, the product is invariably dismissed as partisan because of the nature of their funding and the commemorative purpose of their production.

Insecurity, the other reason why corporate and business history is not valued, stems from a domestic business culture characterised by lack of managerial confidence. This manifests itself in a hypersensitive corporate environment and what Harvard's Professor Chris Argyris⁴ has identified as "*defensive reasoning*," when individuals screen out criticism and put the 'blame' elsewhere. For managers – the very people who commission corporate histories - the prospect of opening themselves up to historical scrutiny

is personally and corporately too threatening. The result? Few corporate histories and a more rigorous opportunity to learn from experience is closed off.

The knock-on effect of this aversion to reflection is that without a good foundation of corporate or management histories, wider-based business/management history is very narrowly sourced - and judged accordingly. As a result this management and educational tool gets little attention and, because it is *perceived* to have little value, matching funding.

Yet the principle of experiential learning is already well established elsewhere in the educational sector. Subjects like political, military and social history are an integral part of many general curricula. Elsewhere, musicians study music history, artists art history, architects architectural history and soldiers military history but for the people who have to go out and earn their livings in other ways - i.e. almost everyone else - there is virtually no corporate and/or wider business history in the education system, even in business schools. The only history that does feature in business education, albeit in declining measure, is economic history, which deals with macro fiscal issues as they affect national and international constituencies, a discipline that is only remotely associated with the day-to-day running of a business.

In industry, the main argument for the past's irrelevance is that circumstances change, a line of reasoning that is at odds with the widespread policy of rewarding experience with favourable salary deals. Come age 50, this same experience is then often discarded in favour of more energetic but inexperienced heirs who, without any received inheritance, promptly re-invent the wheel. Elsewhere, the reasoning that advocates "*forgetting*" as a means of non-replication of less-than-positive experiences is bogus. If anything, it is the *lack* of any recall that leads to history's parroting.

These attitudes underscore one of the main changes in the conceptual understanding of modern business and management - that it is a science rather than an art. Alongside its theoretical teaching in business schools, this has come about because of the rapid rate of technological change and the ensuing massive increase in the number of products and services generated, the belief being that their management has therefore little relevance to previous practice. Although the technology of management is constantly changing, the practice of management is, in fact, unerringly analogous to what it has always been, incorporating unchanged processes in activities like decision making and leadership whether the product coming off the production line is a Model T or its 21st Century equivalent.

It is against this background that corporate and business history's academic champions in the UK have been crusading, with only marginal success.

THE TRACK RECORD OF CORPORATE & BUSINESS/MANAGEMENT HISTORY IN THE UK

In accordance with the principle that history's awareness is a useful tool with which to make decisions about the future, it is instructive to first weigh up the genre's accomplishments in the UK.

Corporate histories: When it comes to corporate histories, relatively few are produced in the UK compared with the US, Germany and Japan. In fact, an inspection of bibliographic references⁵ reveals that more histories of British companies were being produced in the last year of the 19th century than were published in the last year of the 20th century. In spite of the fact that the product has been a prime candidate for academic involvement since it made its first appearance more than a century ago, almost all are still researched and written by non-academics, mainly to mark an important anniversary by the subject company or the retirement of an important executive.

Notwithstanding Britain being among the first countries to produce corporate histories, British authors have not yet evolved an explicit methodology with wider scholarly or literary concord. Their exposure is minimal (the average outside sale for all the company histories published by The Cambridge University Press during the 1980s was just 700 copies per title, a print run that *included* the books given to the captive 'give-away' audiences of the subject companies⁶).

Whether produced by academics or professional writers, few corporate or management histories see their way on to the reading lists of business schools or are used by their subject companies – or anyone else for that matter – for anything other than public relations. Only a handful go on public sale, with their cover price typically twice and three times the cost of conventional business books. Few are reviewed, even fewer authoritatively. This *includes* the work of acknowledged authors. Here, the example of William (Bill) Reader, a history graduate turned advertising executive, is instructive. Recognised (even by academic business historians) as one of the UK's best modern corporate historians, his work is widely overlooked. His impressive labours on ICI, for example, is rarely, if ever, referred to in business schools. Alongside this, he once complained⁷ that his one professional regret was that companies for which he wrote histories (also Bowater, Birds Eye Foods, Metal Box, the Weir Group and Foster & Braithwaite) did not utilise his work in any imaginative way. It is interesting to note that when ICI responds to historical enquiries, it hands out a commercially-produced book rather than its official history.

These less-than-flattering readership levels, compounded by their perceived worth, arguably account for the low commissioning fees that British corporate historians receive for their work – typically between a third and a half of their counterparts in the US, Germany and Japan⁸.

Business/Management histories: A propos wider-based business/management histories, similar characteristics are evident. Unlike analogous subjects (e.g. politics, art, music, architecture, etc., which sustain a healthy research/publishing/teaching base), business history in Britain is virtually unknown as an established historical discipline, with the professional reputations of the UK's established academic business historians not extending beyond the small, business history community. Relatively few business histories are done, with their employment both in industry and business schools studiously lacking. The absence of a specific British methodology to doing business history, or even the adaptation of any of the US approaches (e.g. the Chandler model), is glaring. The first wider history of British business by an acknowledged academic business historian saw the light of day only in 1995⁹. There is still no 20th century history of British management on the shelves.

Over the years, the penetration of business history in UK universities has been minimal. Manchester University, for example, which was among the first UK educational institutions to introduce the subject, estimates it exposed just 350 students to business history over a 20-year period to 1990¹⁰. In 1993 an Association of Business History (ABH) study nationwide found that no more than 1,700 students, many of them unconnected with business studies, had *any* exposure to the subject. Across academia as a whole, there is a reported decline in interest in business history subject matter among higher-degree students. The genre's first formal acknowledgement as a core management subject was in Reading University's Research Assessment Exercise in 1996. The subject's tenuous embrace on education was reaffirmed when business history's recognition as a separate sub-discipline under both History and Business & Management UoAs was reversed after Hefce dropped business history in 1999 and then reinstated it after successful lobbying from the Association of Business Historians.

Back in the late 1970s, a group of industrialists created the Business History Unit at the London School of Economics to champion the genre. As it completes its 21st year, it is clear that the country's flagship business history institution has not lived up to the vision of its industrial founders. Original promises of permanent funding have never been realised, keeping its survival in constant doubt. Alongside a number of less-than-successful projects it has undertaken, its output as a research and teaching body remains small alongside the other smaller business history centres around England and Wales. While regional research activity is noticeably much greater at the UK's only permanently funded business history centre at the University of Glasgow's Economic History Department, applied teaching from this source is also still a rare commodity.

Comparisons with other industrialised countries are instructive. In the US, where the genre has been a recognised scholarly discipline since the 1920s, there is a core community of around 400 academic business historians¹¹. Pioneered at Harvard Business School, where its well-known pre-occupation with the practical study of change is focussed on putting business in its historical context, the subject has been one of the most popular electives by business students for a decade at least and is a compulsory component of all first-year teaching. The subject is considered important enough to be a separate functional division of America's Academy of Management. In Japan, which also supports around 400 academic business historians, every faculty of business and commerce has its own business historian¹². In contrast, the core community of academic business historians in the UK totals around 40¹³. Long-held friction between business historians and management educators has not been successfully bridged, as is the relationship between academic and non-academic corporate and business historians.

With the non-academic community equally culpable, this record makes it clear that academic corporate and business historians are *not* the agency that either industry or academia entrusts with its would-be history-related requirements.

Despite this, Britain's academic business historians remain the best-placed constituent body to lead the genre into the 21st century. For one, the environment in which they work hosts the necessary concentration of intellect to provide the genre with its required authority and credibility. Alongside this, they serve a captive market, notably a huge rolling body of students, and - *if* they provided a product that was also perceived to have value in the workplace - a big additional market (a paying market no less) in the shape of Britain's companies. Thirdly, someone has to integrate the academic and non-academic wings of this highly fragmented genre, if only to provide the lead to encourage a better product and bring under one useful roof what little corporate and business history *is* being produced. Better assimilation would also bring to each other the skills the other doesn't have. However much non-academics may be more enterprising and/or proactive, academics have a better chance of giving corporate and business history the authority that it requires. In short, intelligent co-operation will be more effective than intractable separation.

Corporate and business history's would-be educational role is particularly difficult to articulate constructively in the UK. Curiously, the reference to the word "*history*" in a business context immediately generates either boredom or expressive hostility to its validity as a learning tool, attitudes that conflict with the pervasive interest that exists in most other areas of historical review. Experience has taught this author that the terminology often gets a more sympathetic hearing if it is referred to as "*experience*" or "*organisational memory*", with "*experiential learning*" describing its functional application. Nevertheless,

its importance remains obscured by the conventional attitude that is habitually substantiated by Henry Ford's ill-famed quotation: *"History is more or less bunk"*. Here, the commentary¹⁴ of Martin Jacques, a co-founder of the apolitical think tank Demos, has a resonance. One of Britain's problems, he wrote in 1993, is that history has become disembodied from the present. *"Japan has a very powerful sense of its history, but this is the handmaiden of the present and is combined with an intense interest in the future. The culture is forward looking and strategic. The United States, though possessed of a short memory, is also driven by a sense of its own history, the frontier for example, but nobody could possibly describe American culture as nostalgic or historically escapist. One of the most embarrassing attempts I have witnessed was at last year's Expo in Seville. The British pavilion was a magnificent piece of architecture but the concept of Britain projected inside was restricted to a series of presentations by large companies with no sense of culture, life, society or even, ironically, history."* A not unfamiliar picture of a much larger millennial project - The Dome - seven years later?

WHY CORPORATE & BUSINESS/MANAGEMENT HISTORY?

The arguments for corporate and business/management history's wider application are not insubstantial.

In industry, for example, the most palpable is corporate history's potential use as an induction and management development tool for companies that have been championing the biggest change in workplace practices for more than 100 years – the flexible labour market. This now 25-year-old phenomenon has increased the number of jobs that an individual will have during his/her working lifetime to an average 11 in the UK¹⁵, a turnover rate that – for companies – means they are changing almost their entire workforce every *four* years. Designed to give organisations increased flexibility to more quickly accommodate changing market conditions, short enterprise tenure offsets the undisputed advantages with two hefty burdens on productivity and competitiveness – massively increased jobs disruption and the wholesale dispersal of institution-specific know-how that is otherwise necessary for organisational durability. Done well, corporate history is an appropriate device to acquaint rolling generations of new employees with the necessary corporate familiarity to reduce disruption. Alongside this, it can provide the means to empower some measure of experiential learning so that mistakes are not repeated, wheels are not re-invented and other corporate lessons are learned. There are, too, legitimate applications in shareholder relations, marketing and – in its traditional treatment - PR.

In today's fast-changing business environment and flexible labour market, the tried and tested past is an extremely valuable corporate asset. Without it, organisations cannot benefit from hindsight and the blind end up leading the blind. I've called the condition '*corporate amnesia*', with which British industry is now generously endowed, no thanks to companies' disregard for their history and business history's inability so far to apply its craft usefully.

There is another, wider, application for corporate history in education - as a role model. Like inspirational teachers, the anecdotal evidence suggesting that biographies/autobiographies are key career motivators is vast, a notion that was, coincidentally, the precise stimulus for Sir Arthur Knight when he arranged the commissioning of the Donald Coleman history of Courtaulds in the late 1960s¹⁶. Because of the way the history was *subsequently* envisioned, commissioned, written and published, it was a role that never materialised, in spite of Sir Arthur being chairman when it was eventually published.

At the wider attitudinal level, its employment is a powerful way to combat the anti-businesslike ways of thinking that are endemic in the UK, a novel explanation for which comes out of some 2000 research by The Institute for Economic Affairs. On the notion that people pick up their ideas about business from

sources like radio, television and literature, the free market think tank found that, almost without exception, the great English novelists from Jonathan Swift in 1710 to Martin Amis almost 300 years later projected commerce and industry as oppressive, humiliating and dangerous, and business people as venal, corrupt, self-seeking and unimaginative. If, as suggested, fiction can be instrumental in shaping public attitudes so unhelpfully in the wealth-creation process, non-fiction in the shape of corporate and business history should be just as effective at helping to redress the balance.

Corporate and business history, which is the story of change, is also an appropriate way of teaching how to manage this most fundamental character of business that the UK finds so difficult to accommodate. Without it, students have only hearsay's unreliable recall to learn from work's tried and tested experiences. Alongside the deceptively simple reality that students have to start from scratch when they enter the workforce, there are few role models, no formal mechanism to inherit the cultural qualities inherent in corporate enterprise, little *received* wisdom for the world of work and no efficient way to effectively improve on either past success or failure.

Unlike many other cultures, the British do not generally discuss business in the family home. In this vacuum, the only other routes through which the emerging generation can inherit anything business-like from their predecessors are the workplace and the educational system.

This notwithstanding, corporate and business history is an ideal field of study that would enable education to nurture the long-overdue closer relationship with industry that exists elsewhere in the industrialised world. For the potential huge added value it would bring, the educational investment in the genre would also be fractional. In any event, businesses are the single biggest contributors to the standard of living in the modern era. Their experiences deserve more shelf space and a less dusty fate.

The rear view mirror concept

Using a non-educational analogy, corporate and business history is like the rear view mirror on a motor car. Without it, one has to continually crane one's head to make navigational decisions. At best, drivers get themselves a stiff neck. At worse, they can have a fatal accident, a precept characterised by George Santayana¹⁷, U.S. philosopher and poet: "... *when experience is not retained, infancy is perpetual.*" Santayana's more famous quote on the subject – "*Those who cannot remember the past are condemned to repeat it*" - was used by historian William L. Shirer as an epigraph in his 1959 book "*The Rise and Fall of the Third Reich*". The consequential prospect is appositely conjured up in one of English novelist J.L. Carr's texts¹⁸: "*You have not had thirty years' experience. You have had one years experience 30 times*", a not unfamiliar depiction of British industry classically authenticated by Prime

Minister Tony Blair's exasperated admission in 2000 that he had scars on his back from trying to persuade the public sector to change.

For political validation of the concept, it can be argued that corporate and business history's absence serves to disenfranchise – or in current parlance 'exclude' - rolling generations of individuals from becoming better employees/managers/employers. For the accountants who need to quantify it, the nation has already paid for its experience at least once; recycled, it provides knowledge and wisdom more cheaply than having to re-live it again, and again, and again

Britain “*stinks*” as wealth generator

The need for improved capabilities in British business and industry is irrefutable.

When it comes to entrepreneurial and management skills, for example, national abilities are illusory. Against a background of British students being more interested in public service jobs such as the civil service, nursing, fire fighting and teaching than in industry (a preference that is only just beginning to change, thanks to run-down public sector salary scales), the birth rate for medium-sized companies in the UK is less than a third of what it is in the US¹⁹, a measure that also lags behind Canada, Israel and Italy. Harvard's Professor Michael Porter has described Britain's poor showing as a generator of wealth in the following way: “*It stinks*”²⁰. The UK is ranked 13th out of 17 industrial nations in its ability to derive commercial benefit from science and technology²¹. Alongside a 1999 PriceWaterhouseCoopers global survey of respected companies that puts the highest ranking UK business at 21st, a Cranfield Business School study in 1993 showed that just 2% of British companies are world class while management consultants McKinsey has found²² that Britain's productivity is up to 40% below the US, Germany, France, Holland, Canada, Ireland, Singapore, Hong Kong, Finland and Luxembourg. Ranked against 16 European countries, per capita income in the UK is 10th just ahead of Ireland and Italy – little changed in any of the years 1992 to 1997²³; within this context the UK is the fourth most expensive country in the European Community (a la the media's depiction of “rip-off” Britain). The production of machine tools is a key bellwether of any highly industrialised country. In the 1960s Britain was among the world's biggest producers. In the year 2000, British companies had the worst performance of 15 large west European countries, being the only country to record a fall in output. It now ranks 6th behind Germany, Italy, Switzerland, Spain, France, Japan and the US.

Of the UK's managerial abilities, the unflattering views of many politicians, captains of industry and business academics go back decades, with little noticeable impact. More recent commentaries are instructive.

The Cranfield Business School study that found that so few British companies were world class, which was conducted in 1993, also found that British managers thought they were the best in Europe. This lack of correspondence with reality caught the attention of Deputy Prime Minister Michael Heseltine, also Britain's Trade and Industry Secretary and a successful businessman in his own right, who quickly rebuked the nation's managers for over-confidence. In front of the Institute of Directors, he asked his audience for a clear recognition that there was a gap between the UK's industrial performance and the best in the world.

To try and find an explanation, London's Financial Times published an article in 1993 quoting a senior executive of PA Consulting, one of UK's top management consultancies, as describing Britain's managers as "*myopic*", "*insular*", "*self-delusionary*" and "*arrogant*". One other reason mentioned was that managers were reluctant – or unable – to learn from the discomfiting experiences of others, all of which are (this author's observation) unique indicators of corporate amnesia. It is also this author's contention that PA Consulting's observation should extend to companies' widespread inability to learn from their *own* experiences.

Four years after Cranfield's revelations, a Royal Society of Arts (RSA) study²⁴, which was part sponsored by the Deputy Prime Minister's Competitiveness Unit in the Cabinet Office, re-discovered the unflattering position in Britain's comparative performance with its main competitors. "*We seem as a nation unable to close the gap between our industrial performance and that of other major manufacturing nations*", it concluded. Just months later, after the Conservative Government's disastrous defeat at the polls, Margaret Becket, Mr Heseltine's successor at Trade and Industry, was echoing the same message. A Government benchmarking exercise had found, she said, that the task faced by UK business in catching up with the best in the world was "*bigger than we thought*". The performance of companies throughout the supply chain, even at the top, "*isn't as good as the performance of companies overseas*". Today, the DTI's web site is still flagging up the problem of Britain's low productivity, which has fallen even further behind some of our main competitors.

Underpinning the macro view, Allen Yurko, the chief executive of Siebe, one of the UK's top 50 companies by market capitalisation, complained in 1997 that the UK was one of the most difficult places in the world to turn on the growth switch, an observation that helps to explain why so few British-managed and British-owned businesses appear in listings of the world's largest public companies. For Exeter University's Professor John Adair, managerial abilities are just as unpraiseworthy. "*Any leaders Britain does have are a result of accident, not design*," he says²⁵, an observation reinforced by the acute shortage of suitable British management to run many of Britain's top companies.

At the time of writing, BA, for example, was being run by an Australian, Marks & Spencer by a Belgian, Barclays by an Irish Canadian, Bank of Scotland by a Kenyan educated in the US, the Dome by a Frenchman, Pearson, Siebe, London Transport and Covent Garden by Americans, Safeway's UK operation by an Argentinean and Selfridges by an Italian. An American, a Dutchman and a Kenyan-born Asian help to set Britain's interest rates. Non-Britons – the Rothchilds, Kleinworts, Hambros, Barings, Schroders and Warburgs – created the powerhouse called the City of London; today, few of the large financial service companies they created are British owned. Car production, which represents a significant proportion of UK manufacturing, is now almost entirely foreign owned. Experience-**rich** industries like shipbuilding, steel, textiles, motor cycles and bicycles, etc, have surrendered almost entirely to experience-**poor** operators on supposed employee pay grounds; in some cases – for example shipbuilding in Germany and Italy, steel in the US and Japan – wage regimes are higher than in the UK.

The management of much of British sport is also not exempt from foreign leadership. When the new Director General of the BBC wanted to top up his managerial skills, the business school in which he chose to do it was Harvard.

Against mountains of evidence elsewhere in industry of painstakingly slow productivity improvements, corporate change that takes an interminably long time, endemic fire fighting and a conveyor belt of repeated mistakes, re-invented wheels and other unlearned lessons in both the private and public sector, the fact is that not much learning from experience is taking place. Or that others are relatively better at it than the UK, giving Britain an inbuilt competitive disadvantage.

The usual excuses given for sub-standard performance in the UK - lack of investment, systems failure, the value of sterling (this is made when the currency is low or high), the weather, Britain wasn't bombed out in WW2 like Germany, etc. Significantly, though, they routinely ignore the more explicable explanation – poorly-schooled decision-makers all the way up the line. When pressed, the most regularly used riposte is: "*It's easy to have 20:20 vision with hindsight*". For their own reasons, British industry and the education system have difficulty in equating *hindsight* with *corporate* and *business/management history*; also that there is a direct association between corporate amnesia and a reduced ability to learn from experience.

However one tries to explain these facts, all this is an *unambiguous* indictment of Britain's educational system, in particular its business schools, some of which have been going now for nearly 40 years representing 12 consecutive generations of dedicated management education. It is also hardly the

expected outcome of the world's oldest industrial economy, where logic would suggest that maturity should give rise to some experiential advantage over its competitors.

History at work

External evidence of business history's value can be seen in the related science sector in the US, which is one of the more prolific industries at producing individual corporate histories. The broader-based history of science, which has been driven from these individual monographs, was – like business history - acknowledged as an independent discipline in the 1920s. Alongside the enormous number of US-produced books now available on the history of science, there are more than 60 American universities²⁶ offering dedicated higher degrees in the history of science, technology and medicine. In addition, many colleges offer a concentration in history of science at the undergraduate level. The subject's importance was endorsed in the 1980s by Secretary of Education William Bennett's declaration that *"all students should study the history of science and technology."*

More than 70 years after its importance was first recognised, the chemical industry claims there is a revival in interest in business history and in the history of science and technology that reflects its importance in understanding the subject. The History of Science Society, which promotes US teaching in the field, describes the history of science as a bridging discipline that involves exposing students to more than the technical skills and theories of the natural sciences. Its view is that scientific literacy is a necessity in a culture pervaded by scientific values and crucially dependent on the applications of scientific knowledge - *"one that students, parents, educators, and political leaders in the US all demand"*.

By way of contrast, British industry has been complaining for years that fewer and fewer students are considering science as their vocation or as a career. It is no coincidence – this author's view at least - that the history of science, which might otherwise have provided motivational role models and an inheritance for successive generations of new entrants into the profession, is a curricula subject in fewer than a handful of British schools and universities. Yet the appetite for science-related history books is huge; witness the recent best-selling title (and TV production) 'Longitude' and the work of Stephen Jay Gould and Richard Dawkins.

A specific example of the effect of the subject's oversight in the UK exists in the aluminium industry, where the sector's own trade body complains²⁷ that educational institutions and industry are woefully ignorant about its uses, despite the non-ferrous metal having been around since the early 1800s. Little suitable product teaching material is generally available in the educational system. As a result it was felt necessary to embark on a £1m European-wide programme to rectify what Brian Turner, president of the

Aluminium Federation, described in 1993 as *"one of the most appalling educational failures of recent decades"*. With the help of 25 universities, the industry's objective is to provide 150 hours of teaching material covering technology-transfer aspects of the metal. As it happens the employment of history-related material is conspicuously absent from the package of planned teaching material.

A British example where business history's awareness has been used to beneficial effect (and then squandered) can be seen in how the modern Labour Party formulated its policy on the internet. The invitation to private companies to set up a 'National Grid for Learning', providing services on the superhighway for schools and universities, was modelled on the way radio manufacturers clubbed together 75 years ago to create the organisation that eventually became the BBC. This resourcefulness in one branch of internet activity is being offset by the broadband conversion delays that are not as evident in other European countries or in the US and Canada, and the less than proactive resolution of issues such as unmetered internet access and the price of leased lines.

Been there, tried that

For years Government and industry have been floundering at ways to encourage more constructive attitudes towards business and to close the productivity gap in both the public and private sectors.

With such historically vast and recurring wastage, it is still unclear what is being done at a management level in local and central government. However welcome is the decision to (once again) step up investment in public services, the benefit will not fully reflect the proportional increases if productivity also does not increase. With the cost of "production" relatively no cheaper, a good proportion of the new money will be similarly wasted. The example of the £10bn investment in London Transport during the 1990s, mentioned above, illustrates this point exactly.

In industry, the government's efforts are historically directed through new fiscal measures (mainly tax incentives) and fresh attempts to reduce red tape. In 1998 there was the Competitiveness White Paper, which accompanied a £30m campaign to encourage entrepreneurs. In the education sector, the inclusion of non-compulsory 'business studies' within the new National Curriculum and the Enterprise in Higher Education initiative is the main thrust. Despite this, industrialists still complain of employee ignorance about industry and unfamiliarity with the role of companies. An illustration of this is a University of Derby study that found that students could name only one successful British company and had no idea what the acronyms of the country's representative bodies for industry or the trades unions - the CBI and TUC - stood for.

At the close of 2000, Chancellor Gordon Brown was once again calling for an enterprise renaissance, suggesting that US rates of entrepreneurship could create another 250,000 small businesses. For this to happen, a change in attitude towards enterprise is needed to start “*not in the boardroom but in our schools,*” he declared. “*I want every young person to hear about business in school and every college student to be made aware of the opportunities in business. I want every community to see business leaders as role models.*”

In this vein, the Government has actually acknowledged the benefits of experiential learning by orchestrating a series of road shows at schools and colleges, where so-called business ‘heroes’ – the likes of Alan Sugar, Richard Branson, James Dyson, Reuben Singh and Martha Lane Fox – recount their experiences as a way of helping to motivate the next generation of entrepreneurs. Although unrecognised as such, what these individuals are doing is recounting their own organisations’ corporate/business history. It takes no imagination to conclude that their individual contributions are an *inefficient* way to pass on their models of corporate enterprise. The introduction to the curriculum of corporate, management and business history is surely a more durable and systematic way of passing on the difficult-to-teach culture of business and enterprise.

Further acknowledgement of experiential learning’s value came in early 2001 with the Government’s call to recruit more than 100,000 over-50s to act as unpaid ‘mentors’ to pass on their skills to younger people in the public services.

The broader principle is seen robustly at work in many family-owned businesses and in those ethnic groups where filial and community ties are closer than in traditional British families. Their more intimate relationships ensure that traditional business values and experiences are passed down efficiently, supporting the anecdotal evidence that entrepreneurs beget entrepreneurs.

Done well, corporate and business history can serve the same purpose.

THE OTHER EXPERIENTIAL LEARNING TOOLS

In the realm of experiential learning, there are several other methodologies that use Organisational Memory as the learning medium. These are generally confined to short-term OM.

Mentoring, orchestrating social events in the corporate setting and the overlapping of exiting and incoming employees are the most common, although their efficacy is often limited because of the highly selective nature of the knowledge passed across by knowledge owners, the unreliable memory recall of the knowledge receiver and the flexible labour market. Of the more formal methodologies is “Action Learning”, an approach pioneered by Reg Revans in the early 1980s that generally uses a skilled facilitator to impose a discipline of self-reflection and analysis on team members of individual projects. Because its employment is confined to real-time work situations, it does not have much application as a teaching tool in business schools, although some educational institutions have experimented using contrived simulations and role plays as the learning medium.

The others use oral debriefing as the main evidential medium for uses in project management, induction and management development. All the approaches recognise the incremental nature of change and depend on the awareness of tried and tested experience – of both failure and success – as the building block of progress. None (including Action Learning) are used to any great extent, leaving most experiential learning in Britain unstructured, informal and random, a position that, in this author’s experience of UK PLC, biases most managerial accomplishment to political (with a small ‘p’) skills rather than decision-making excellence.

This view aside, the absence of any formal and integrated means to benefit from hindsight flags up the key oversight in Britain’s educational approach that focuses on a number of underlying and complementary weaknesses. The first revolves around the long-standing (since Victorian times) institutional choice to shift responsibility for technical training from the educational system to employers – unlike, for example, the German model²⁸. Whilst this would suggest that the wider system would, then, be correspondingly better attuned to experiential learning, the actual record is contrary. For much of the last century on-the-job training compared badly with other developed countries, with the mainstay of any formalised experiential learning resting largely on the system of apprenticeships that were discontinued at about the time the flexible labour market was beginning to make inroads into traditional employment practices. Alongside this has been the prevalent mind-set among many educators (and certainly industry) that confuses teaching and training with learning. Much of the teaching in British schools and universities as well as training in industry is informational. For the process of erudition it is the core of most functional

skills - but only half the true learning process. It is the ability to transform information into “knowledge” – a process that requires reflective, interpretive and predictive skills - that provides the real meat of learning. In this, experiential learning is key, with accurate and contextual Organisational Memory (otherwise corporate and business history) the basic evidential component in the process.

Underlying all this is the classroom attitude to “history” as a generic subject whose instruction encompasses little more than the study of dates and events and their impact at the time, whether of British Kings and Queens, wars or plagues. Rarely is it taught as an applied science, where its inventory of tried and tested experiences is a knowledge resource that is part of a natural process of progress and change. Its nature is more commonly seen as immutable rather than evolutionary.

The process also compares starkly with the approach to education in many Eastern countries that spills over to the teaching of business. Against the perception that knowledge is mostly technological and/or quantitative in orientation⁽²⁹⁾, Western rationalism is based on the theory that erudition comes through deductive reasoning while Eastern empiricism reasons that it is derived inductively through actual experience³⁰. As such, managers in Western economies generally focus on technically-orientated, mainly explicit information encompassing rules, processes and the professional or vocational information codified in manuals and texts to make their decisions, while the emphasis in Japanese companies is on the more implicit and ambiguous tacit knowledge, a characteristic that is deeply rooted in action as well as ideals, values and emotions. In this, the sharing of experiences and being constructively reflective is key. It is a belief embedded in their Zen Buddhism heritage.

A TWENTY-POINT PLAN

It is against this background that British industry and commerce and the education system have been operating.

Many of the genre's shortcomings have been recognised (and even acknowledged publicly) by business history's main academic campaigners over the years. Perhaps the most voluble domestic critic is Reading University's Professor Geoffrey Jones, the UK's senior business historian, who had admitted³¹ that the output of Britain's corporate historians makes no impact on anybody. Acknowledging that the "*nature of our product*" must take much of the blame, he has flagged up Professor Chandler's work in the US - and the fact that the MIT/Harvard academic is the only business historian regularly quoted in British books on management – as an example of what can be achieved. "*I believe that British business can learn from the past, and that one - but not the only - function of business history is to help educate British management to perform more effectively than their predecessors. There is evidence, too, that economists and management theorists want and need the kind of empirical evidence generated by business historians. If business history is made accessible, readable and as intellectually challenging as the subject it describes, there will be no problem finding markets for its wares*".

So, where does British business history go from here? To add to the above commentary for subjects for discussion are some other specific observations of British corporate and business history - and suggestions for action - as follows:

Corporate History

- i. When they write corporate histories, British business historians (whether academic or otherwise) generally insist on recording the past for its own sake without any functional application. Britain's corporate historians need to listen to industry's requirements and then create the requisite products professionally. Part of this may be pointing out corporate and business history's wider potential applications like project management, management development and induction, an educational role that practitioners – at least in other industries - routinely assume as part of their marketing effort. In doing so, corporate historians must establish a formalised approach that also suits British management education. This might include, for example, providing historical insights into decision-making processes and a concentration on the use of tacit knowledge to compensate for the educational system's attachment to theory, approaches that would give management (and enterprise) instruction a more practical approach. Essentially, the lesson to learn is what wider

business history teaches (or should be teaching). It is all about identifying and creating markets, and then servicing them efficiently and cost-effectively. Corporate history is no exception. For it to succeed, it has to find applications beyond corporate and educational indulgence.

ii. There are several special features that characterise corporate history. In almost all cases, their production requires both subject-company funding and subject-company co-operation. This typically dictates how they are produced. The subject company generally headhunts and commissions the author directly (often making inappropriate choices), edits the final manuscript in-house and insists on vesting copyright in themselves, frequently publishing it themselves. Simply, when the company acts as paymaster, manager, editor and/or publisher, the unavoidable perception is that the work is a partisan, company production, often justifiably. Effectively, the direct relationship between author and the subject company establishes a conflict with author independence. While there are examples of fine corporate histories produced within these constraints, the result is that they are routinely denigrated and any application they otherwise might have is lost. It is worthy of note that this attitude persists despite company sponsorship being an accepted element in other academic endeavours. To help overcome this specific problem, it is suggested that the ABH (possibly in association with other national business history representative bodies) formulate a Code of Conduct for authors, publishers and subject companies.

iii. Most academic historians write corporate histories that are over long and lifeless, the result of a lack of practical experience in industry, formulaic scholastic writing, inexpert editing, unprofessional publishing and a core scholarly belief (at least among academic business historians) that equates ease of comprehension with lack of rigour. In the main, the documents are written for the approbation of colleagues. The consequence is that the works they produce have a very narrow audience. With the notable exception of Charles Wilson, who wrote the 1954 Unilever corporate history, no British academic corporate or business historian has since produced a corporate or business history that has achieved best-seller status - unlike many examples of academics writing about other types of history. The potential audience for the genre is illustrated by Sir Richard Branson's *'Losing My Virginity'* (Virgin, £7.99), which was top of the Bestselling Business Books chart for at least a year, and the excellent *'The Rothschilds - A Family of Fortune'*, which was written by the popular historian Virginia Cowles. Neither appears on any academic reading list of any Business School in the UK, in spite of being prime examples of British business enterprise.

By way of contrast, the US example of the International Telephone and Telegraph Corporation's history is instructive. Its *authorised* history was researched and written by Robert Sobel, a Professor of Business History at New College of Hofstra and also a financial columnist for Newsday, who

produced the best-selling '*I.T.T. The Management of Opportunity*' (Truman Talley Books/Times Books, 1982). In addition to its significantly large public audience, it frequently appears on academic reading lists to give valuable insights into the workings of a major American institution. Over in the UK, ITT's subsidiary, Standard Telephones and Cables, chose a former company employee as author. The project was a flop – and an opportunity wasted.

Whatever the level of erudition, reality dictates that the message is invariably lost without the ability to convey it. It is suggested that academic historians be encouraged to write primarily for industry rather than just academia, an approach that requires completely different editorial and publishing styles.

- iv. When they enter the workforce, most students start from scratch. To facilitate the maximum business “inheritance”, universities should - at the very least - be able to provide students with a selection of biographies of companies in whose industries they intend to work (i.e. engineering students intending to work in the engineering industry should have access to several biographies of UK engineering companies; for cross-functioning marketing students, several corporate biographies that accentuate marketing should be available; there should be local examples of Japanese-owned, Asian-owned and West Indian-owned businesses, small companies, internet companies, Welsh companies, et al). As part of coursework, students should be intellectually applying the companies' experiences in ways that would illustrate how previous mistakes and successes could be improved upon, an approach that would counterbalance the pervasive theoretical teaching style, establish the overlooked concept of experiential learning more firmly and – for the first time in the UK - give the genre a learning application that educational policy makers and management educators can identify with.
- v. Publishers of academic corporate histories – mainly those attached to the main universities - traditionally receive healthy stipends from subject companies to print their corporate histories. In spite of this, the publishers set cover prices substantially higher than non-sponsored commercial business books, do minimal editing and marketing, and achieve low sales, which are then used to justify their high cover prices in the first place. These policies are also applied to the publication of business history, ensuring similar low sales and readership levels. It is recommended that publishers be encouraged to rigorously defend their editing, pricing and marketing strategies.
- vi. For corporate and business histories to have **any** corporate or educational application, they must be accessible. Apart from the British Library and an incomplete selection of books at the Business Archives Council (BAC), there is no specialist national repository of corporate and business histories

that can be used as a reference/lending resource for academia or industry. To enable wider currency of the genre, it is suggested that the BHU, University of Glasgow, University of Reading or BAC (or some other interested institution) industriously collect both published and unpublished manuscripts, of both the academic and non-academic variety, with a view to building up a comprehensive collection in a single centralised location together. Where copies are in short supply, eBook technology can be employed to make them available over the internet. A computerised and cross referenced list of objective appraisals could also be made available over the internet.

Business/Management History

- vii. British business historians have not yet devised their own clear methodology for doing wider-based business history, unlike their US counterparts who have taken the genre through at least two evolutionary phases since Alfred Chandler's pioneering contributions after WW2. Like corporate history, business history in the UK has to find an approach than suits both British industry and management education.
- viii. Historically, British business historians have subsisted within already-established Economic Departments, which have been enduring their own financial strictures over the past decade. The record shows that the genre has not developed much in this location. This author's suggestion is that the subject of business history come out of Economics and into Business Departments proper where its application would, arguably, be more relevant.
- ix. The powerful ESRC and the Research Assessment Exercise dominate business history's output. Both are conservatively ordered, their diktat partly responsible for giving the genre its unambiguous theoretical bias. At the end of the day business is a functional application. Some way has to be found to shift their influence in a more practical direction.
- x. Business history is almost unknown as a curricula subject in schools, universities and business schools across the UK. Given the historical difficulties in persuading educational institutions to introduce the subject in the conventional way, it is suggested that the LSE's BHU or University of Glasgow, in conjunction with, for example, the Open University, independently take the initiative to use the internet as a medium to offer courses on the subject. The model for this already exists through Liverpool University's global MSc that is being delivered solely over the internet. With the Government's pro-Internet policies, it may well be possible to obtain Government funding, and perhaps even EC funding if it is offered multi-lingually across mainland Europe. If these institutions

are not interested, or are deemed unsuitable to host such an enterprise, an independent business history portal could be set up and run by suitably qualified individuals.

Association of Business Historians

- xi. Historically, the ABH's membership has been largely academic. Given that writers not in full-time academia dominate the genre's output, it is recommended that the ABH, which is the only representative body of corporate and business historians in the UK, go out of its way to recruit non-academic authors with a view to influencing wider standards in a positive way. This will require the ABH to change its focus from representing academic business historians to business historians overall, an approach that will necessitate academic and non-academic operatives finding a more co-operative accommodation between themselves. At some stage this might also be a strategy for consideration that could be extended to the European Business History Association/Society for European Business History.

- xii. It is arguable that the ABH's representation, even if non-academic membership is included, is still too narrow to represent the genre's academic and industrial span and that a wider body similar to those representing other industry/academic disciplines should be formed to unify an otherwise fragmented 'industry'. For consideration might be a Business History Institute along the lines of the Institute of Contemporary British History.

Archive Preservation

- xiii. Archive preservation is critical to good corporate and business history. As such, the Business Archives Council's role is important to corporate and business history's effectiveness. In many ways their roles are inescapably intertwined and their success closely aligned. Whilst there has been *some* collaboration in their separately-constituted activities, their symbiotic relationship, alongside the perceived increased importance of the knowledge society, suggests that joint marketing or a closer organisational relationship might be more mutually rewarding, either through the ABH or the wider body proposed in (xii) above.

Broader Strategy

- xiv. Corporate and business history has wider legitimacy in the US and Japan, mainly because the genre has an educational application unperceived in the UK. It is recommended that the ABH privately solicit the advice of key business history campaigners and operatives in these countries (Business

History Conference, Business History Society of Japan) to learn how they have been more successful at promoting the genre. Using their counsel, it is suggested that the ABH proactively implement strategies to more effectively lobby Government, education departments and industry to better establish corporate and business history as a legitimate teaching and management development tool. This could include rolling seminars on business history (if necessary using the US and Japan as case studies) to be targeted at academia, Government and, in particular, industry, where the intention would be to upgrade their motivation for doing their corporate biographies from PR to applications ranging from management development, induction (particularly relevant in today's flexible labour market), shareholder relations, etc..

- xv. British management education is renowned for its resolute concentration on theory whilst paying lip service to the empirical (the widespread absence of corporate and business history, even non-British renderings, is one indication of this; another being the observation by *The Financial Times*³² that curricula in the UK are still not providing business graduates with commercial awareness). On the rare occasions educators *do* use corporate and/or business history, the motivation is usually to validate management theory. As a rule – and as the record shows - this approach makes for managers less practical than they might otherwise be, an attribute confirmed by British companies' acknowledged shortfall in productivity over decades against many of our less-experienced competitors. What is needed are more *functional* managers who learn from real experience, with theory occupying a supporting role, a goal that requires a shift in educational teaching policy.
- xvi. As the supposed proponent of experiential learning, the UK's corporate/business historians should be leading efforts to re-focus management education's present non-empirical approach. One of the ways this could be done is by supporting relevant history-based research on the lines of Michael Sanderson's (University of East Anglia) *'Education and Economic Decline in Britain'* (New York: Cambridge University Press, 1999).
- xvii. Managers occupy the most important position within companies in terms of formulating strategy, making decisions and dictating outcomes. As such, their activities are crucial source material for future generations of corporate and business historians. Corporate and business history's neglect in the UK means that much of their history is unrecorded – and will be irretrievably lost unless something is done before the managers' demise. It is recommended that every one of the country's academic business history units (or, failing them, another body) jointly collaborate to *urgently* undertake a rolling project to document the management experiences of retiring senior managers across British industry - similar to the project called *'City Lives'* being undertaken by the National Life Story Collection attached to the British Library National Sound Archive, which is interviewing about

100 top men and women from financial institutions who have lived through the changes since WW2. Unlike City Lives, this project should be more management oriented with a view to applied teaching. Individual projects could be assessed as regular course work through a modules development and also form the basis of a well-sourced '*History of British Management*' yet to be published.

- xviii. The attitudes that corporate and business history's application is either for PR purposes or a narrow-interest activity for a few post graduates are now deeply imbedded in the psyche of both British industry and academia. Stuart Bishell, for example, chief executive of Understanding Industry, a foundation dedicated to increasing links between business and education, is on record as saying³³: "*I do not believe that historical context is especially useful to students in understanding wealth creation and the position of industry and commerce in the economy and society of the 21st century. It is vital that we look forward to the entirely different way in which these processes will work during the working lives of current students and not backwards at how they used to work in the past*". At the sharper end of education, Dr. Nicholas Tate, chief executive of the School Curriculum and Assessment Authority's commentary³⁴ on the subject is that: "*Pupils study the industrial revolution in some detail and look at the implications for the economic growth of the 19th century. They thus receive an introduction to some important business issues. The Open University also uses the Battle of the Somme as one of its case studies for its MBA course. It provides an interesting method of helping managers draw upon the lessons of the past.*" These hostile/restrained mind-sets, which serve to disallow the benefit of a more contemporary business inheritance, need to be changed somehow to **at least** correspond with the significantly higher levels of corporate and business history activity in the US and Japan. Why business history is relevant only if it is at least 100 years old is truly a puzzle!
- xix. Business history shares its educational obscurity in the UK with an associated academic discipline – science history. Given the analogous problems that science historians (presumably) have in persuading academia to adopt their genre as a legitimate branch of learning, it is suggested that discussions take place with the science community with a view to jointly promoting both subjects. It is not uncoincidental that business and science are two areas of industrial activity in which Britain does not excel.
- xx. Whilst associated disciplines such as political history, social history, military history, etc, all have high profiles among the general public, business history is virtually unknown. As part of its long-term strategic aims, the ABH (or another body) must make business history more visible at a public level. To do this, business history's elected representatives need to be charismatic spokespersons with

good media skills and a PR strategy/budget. A network of champions in industry, management education/business schools, Government and the media have to be identified, nurtured and utilised.

CONCLUSION

For those who subscribe to the premise of a relationship between education and national prosperity, the widespread absence of corporate, management and business history as curricula subjects is a glaring omission, more especially for the world's oldest industrial society. In the new Information Age, the genre is as much knowledge as anything else and, as such, should not be treated as a narrow-interest scholarly pursuit. In reality, if business history can't be recalled accurately and in context, the nation's business experiences might as well never have happened. To this author, this goes a long way to explaining the UK's less-than-progressive business environment.

To quote Professor Leslie Hannah, the UK's first professor of business history (and one of only four in the country), history provides experience cheaply. This author's own take on the subject is that experiential learning on which rests the ability to progress depends on an unambiguous awareness of experiences. If they (the experiences) are not to pass beyond reach – i.e. become unusable as a learning medium - they need to be managed, just like any other corporate asset. Through archive preservation, good research, its assembly into comprehensible commentary (oral, written and visual) and – essentially - *applied teaching*, the contention is that corporate, management and business history is the *precise* vehicle through which education and industry can provide a constantly changing employee base with the knowledge necessary for a practised workforce to benefit from hindsight and improve enterprise, productivity and competitiveness. Simply, corporate and business history's disregard diminishes the options that managers might successfully choose (and reject) to shape today's decisions for tomorrow's world. It is not a cure-all. Nor is it the only history-related medium that can be used to aid experiential learning. But it *is* a practical, structured, and powerful educational means to better *professionalise* the teaching and practice of business in the UK. Applicable to both the private and public sector, the implications for both investment and output are obvious. It takes no rocket scientist to calculate the potential benefit of reducing even *fractionally* the number of repeated mistakes mentioned above – or, for that matter, the relative marginal cost of experiential learning's wider implementation.

Other academics and management consultants have built huge industries on concepts from quality circles to management-by-objectives and re-engineering. Corporate and business history's experiential learning precept is no less a concept and which – because of its enduring character – should survive beyond other managerial fashions. To enable it to achieve its full potential, *imaginative* leadership is needed alongside some self-expression of the enterprise we profess to record. If this is deemed

unfeasible for Britain's existing academic establishment, some other body needs to be empowered to do the job.

However difficult it may be for corporate and business historians - academic and others - to acknowledge that they are part of the problem (and however unpopular this may make this author for suggesting it), the contention is that they are also a substantial part of the *solution* to a more enterprising and productive environment once the genre is made more relevant and acceptable to both education and industry.

Quote unquote

The views and ideas, above, are not exclusive. Although the flexible labour market has given experiential learning a fresh urgency, nor are they new. Corporate and business history's value has been trumpeted by a succession of prominent industrialists/politicians/academics down the years, among them:

Sir Peter Parker, former chairman, British Rail: *"... business history is a missing dimension throughout the educational system. We need to build back into the business school approach the significance of a historical perspective".*

Alex Fletcher, former Secretary of State for Corporate and Consumer Affairs: *"There is a great deal of material in our schools and elsewhere about how babies are born but there is a tremendous shortage of publications about how businesses are born. Only a tiny number of people know there really was a Mr Barclay, a Mr Beecham, a Mr Cadbury, a Mr Rolls and a Mr Royce, and the marvellous stories of how they created these now world-famous companies. Generations can only understand these examples if they learn and understand the process, innovation and the leadership that made it possible."*

Sir Alistair Pilkington, late chairman, Pilkington: *"To me it is profoundly important to look back and learn from the past. There's really no point in making the same mistakes over and over again. Lack of awareness must put us at a disadvantage."*

Sir George Blunden, former deputy Governor of the Bank of England: *"I think it is very silly to run any business without having some knowledge of the lessons that can be learned from people having similar experiences in the past because events do repeat themselves, albeit in different forms. It's obviously wise not to make the same mistakes again. How stupid it is if you make the same mistakes when you haven't bothered to learn about those mistakes. Why re-invent the wheel?"*

Professor Alfred Chandler, Harvard University: *"Any meaningful analysis of an organization today must be based on an accurate understanding of its history".*

Even the non-business world endorses history's worth:

Winston Churchill: *"The further backward you can look, the further forward you can see."*

Abraham Lincoln: *"We cannot escape history."*

Francis Bacon: *"Histories makes men wise."*

Mikhail Gorbachev: *"History decides the future."*

William Hague: *"In looking to the future, we have to be informed by the past."*

If these luminaries are right in their observations, it is clear that both business education and industry are not listening. Assuming the explanation is *'won't listen'*, corporate and business history's champions have to give education and industry better arguments. If the reason is *'can't hear'*, they have to speak louder.

There are two final points that emphasise the effect of corporate and business history's long-time and continuing neglect. If ever the genre *is* ever accepted as a valid teaching and management tool in the UK, most of the models available will be out of countries like the US and Japan, which are more prolific producers of corporate and business history. Whilst not suggesting that the learning opportunities presented by external environments are irrelevant, the point is that these non-British case studies will be based on quite different business cultures and legacies. As a rule, people learn better from their **own** experiences than the experience of others, not least because the context is more familiar. To catch up will take years, not to mention the difficulties that a dearth of resource material will present in its compilation.

Taking the much longer view, there is evidence that those societies without a historic tradition do not prevail. At the risk of appearing too irreverently predictive, corporate, management and business history's uncommitted existence in the UK signals an early warning of something to do with future accomplishment in the workplace.

There is currency in this view in a study³⁵ by the National Westminster Bank, which disclosed that more veteran companies in the UK failed in the early-1990s recession than in any other previous economic slump in the 20th century. A massive 10% of firms that had survived two world wars, the bleak 1930s depression and the succession of subsequent cyclical downturns crashed between 1989 and 1993. Why were they unable to survive this particular recession? Part of the answer - to this author at least - lies in the fact that the recession coincided with the height of the downsizing boom. This led to massive discontinuity – and an organisational memory that provided individual companies with little awareness of how they manoeuvred their way out of previous crises.

At the end of the day, recorded history is the encyclopaedia of one's tried-and-tested experiences. Except for those who *choose* to forget, remember *selectively* or *ignore* it, it is no coincidence that those civilisations that endured developed a recording tradition that – however unconscious - provided a reference point from which individuals at one level and nations at another acquire the ability to learn experientially and incrementally. As all the great established religions have shown, the practice is moreover an extremely powerful way of embedding and reinforcing a tradition and a culture. In its written and pictorial forms it is, at root, the most efficient medium of inheritance that many agencies already use to their considerable advantage. The Chinese proverb "*The palest ink is better than the best memory*" is apposite.

If one extrapolates this theme into the business world, UK workers and UK companies (as well as all those other countries with an equal disregard for their business heritage) have paid for their experiences many times over. Why keep on starting from scratch?

FEEDBACK FROM INDUSTRY & ACADEMIA

This Paper was shown to a number of people in industry and education for their commentary, the objective being to measure their perception of corporate and business/management history's stated relevance. Importantly, their choice was as individuals who are successful in their own right and "non-institutional", thus with no official organisational axe to grind.

Dr Barry Blain, OBE, retired Deputy Director, National Automated Fingerprint Identification System (NAFIS), a QUANGO formerly attached to the Home Office: *"... the lack of any attempt at continuity or learning from the past has been screamingly obvious to me throughout my career in the Civil Service. My own tiny area, that of technology support to the emergency services, suffered major structural upheavals several times over the years. ... The management wheel was reinvented over and over again. The cost benefits of any of the changes were never evaluated, and the idea of a business case failed to enter anyone's head. And, frustratingly, each change was put forward as a brilliant and novel approach, and at no time was any previous restructuring acknowledged. An interesting sideline is that after one of the changes, the retiring Director was kept on as a consultant in order to write a history of Home Office research and development in support of the emergency services. He was never allowed to complete this work, and as far as I know his initial contributions were quietly filed away. Of course they do not look at any history of their project (usually because none exists), and certainly not at projects elsewhere in government. And the suppliers rub their hands with glee as they happily charge for the alterations to the specification and for the extra work they must do during the months of delay."*

Dr John Peters, academic author on knowledge management, Director of MCB University Press Ltd: *"The fields of management theory and management practise must come together more effectively. Too many management theorists for my liking seem determined to make the discipline into a science - using quantitative analysis to "prove" where there is patently no proof, or to "prove" where proof is an irrelevance. We can, for example, "prove", pointlessly, that at the time of writing, 46% of large firms in Albania practise centralisation. But we cannot "prove" that centralisation works better or worse or the same as decentralisation. In reaction to this introspection, real managers faced with real problems fall back on feel, anecdote, political expediency, procrastination and more when trying to make decisions rather than the body of pseudo-scientific knowledge. The action learning approach which seeks to capture the learning gained whilst experience is taking place has moved a few small steps towards bringing the worlds of theory and practice closer. The expansion of management theory from pseudo-*

science to social anthropology, philosophy and history move us a few more steps closer, in trying to do the simple yet difficult task of capturing stories and making contextual sense of them.”

Clare Lorenz, OFSTED inspector, founder chairman of education charity: *“Business history is not an area I have thought about much - but that is MY fault. It is certainly one that deserves consideration. The link between the past, now and the future and the continuities therein are all important. I am heartily fed up with hearing about organisations re-engineering – i.e. probably throwing the baby out with the bath water in an effort to look modern (as distinct from becoming more efficient). There are of course changes (ICT and global trading revolutions for example) which profoundly affect organisational change but there are also very harmful management fashions which are purely destructive and counter intuitive. Why would a company wish to get rid of its IP wisdom by outsourcing? Why are cheap youngsters hired and then huge training money poured into them to make them viable earners when everyone knows their company life expectancy is no longer than 2 years? Organisations certainly have a lot to answer for.”*

Mike Pedler, author of seminal book on - and a pioneer practitioner of - Action Learning championed in the 1980s by Reg Revans: *“I certainly support the thrust of your ideas. It amazes me how we forget what happened even 20 years ago and what little understanding there is of ‘new ideas’ as new wine in old bottles. Loss of corporate memory is a serious blow and is a key issue in the learning organisation.”*

Peter Davies, Business in the Community: *“Your very interesting paper rings a lot of bells!! There would be an interesting dimension in terms of corporate responsibility - tracing the learning or lack of learning from the early philanthropic industrialists - e.g Cadbury, Levers - to the current day. Indeed there is an historical trend which would suggest that companies that are built to last have these values at their core.”*

Carol Kennedy, management writer and commentator, non-academic corporate historian: *“Congratulations on making so many much-needed points in your fine paper, with which I totally agree in all regards. Could it be that Britain's wilful lack of interest in its rich business and scientific history is linked to the general - and I think criminal - downgrading of history in the educational system? Today's news story about the abysmal levels of knowledge of major historical events and figures in secondary schools is nothing short of a national disgrace: we are short-changing the next generation's knowledge and wasting assets that few other countries can match. The dearth of good corporate histories over the past 50-60 years is amazing.”*

Professor Cyril Levicki, Manchester Business School, author of book on corporate leadership: *"I've been following the development of Arnold Kransdorff's ideas on organisational memory and the appalling cost that its loss inflicts upon organisations and individuals. I believe this paper offers a comprehensive and valuable commentary on an important subject which every management educator and practical leader/executive ought to be acting upon. I hope his ideas will be taken up and implemented with the full vigour they deserve. They could make a real difference. We are currently destroying our own value and wrecking the future for the lack of the small amount of efficiency it would take to preserve and apply organisational memory. It's amazing to think we have so little regard for our experience. If not business, business schools have to lead the way."*

Bruce Lloyd, Professor of Strategic Management, South Bank University: *"Understanding the past is an essential pre-requisite for making progress. Despite the widespread acceptance of the concept of case studies, this paper makes an over-whelming case that more needs to be done. What is now needed is to more closely integrate these ideas into 'Learning Organisation' and 'Knowledge Management' developments. A Knowledge/Learning approach only makes any sense if we understand our history and put the insights that come from serious reflection on it, into more effective action than would otherwise be the case. Without this integration of past, present and future, there is little chance that the pressure for change into society today will end up by being anything remotely close to what we would all like to define as progress."*

Bob Garrett, visiting professor in corporate governance at Management School, Imperial College, London, senior associate at Judge Institute, Cambridge University, consultant on board and director development: *"This area is a hugely misunderstood and neglected aspect of business and business education, which is a puzzle to me. Effective boards of directors and senior executives need greater intellectual rigour in formulating policy and especially in their strategic thinking skills and this approach to better decision-making through understanding business history is both obvious and highly recommended."*

Brian Berman, former World Bank economist now Chief Financial Officer, Paradigm Geophysical, a NASDAQ company with several UK subsidiaries: *"Our most important asset is our people. High-tech companies are 'mind-ware' companies even more than they are software companies. Managing and maximizing our returns to our accumulated internal corporate knowledge base is critical for our success. Knowledge is nothing if it is not the collective corporate memory, but making sure that memory is refreshed and that lessons are learned is therefore critical to give this knowledge tangible and operative value rather than just passive value. This Paper's observations about corporate history, amnesia and experiential learning are all relevant. We need to move to put these lessons into sound*

management practices to unlock the value of our own corporate knowledge and to learn the lessons from others' experience."

John D. Emanuel, Chairman, Pax Technology Transfer: *"You point out the obvious - so obvious that it has been almost invisible. Without history, what perspective can we have of ourselves to help us understand the present and to grapple with the future? We have plenty of history covering almost every aspect of life except the practical side of co-operative work - the initiation, structuring, operation and development of business and other corporate enterprises. Our school culture and much of our university culture has little or no place for the study of enterprise or enterprises. Indeed I have the impression that many teachers and academics regard 'business' as something alien and disreputable, unworthy of serious attention. In my work I regularly meet good inventors with entrepreneurial instincts but who are ignorant of the simplest business methodologies and strategies they might apply. I also meet directors of established companies who behave as if the enterprise is stuck in a rut without means of change or escape. Educational exposure to simple business methodology and business histories would be invaluable to them, giving them the intellectual tools and role models which they could adapt for their own use, to the benefit of themselves and our society. I would like to see the study of corporate history taken seriously at universities. I would hope that, in time, an understanding of enterprises would become 'common sense', part of everybody's general knowledge."*

References

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