

## British Business History: A Personal Survey

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When Professor Freudenberger kindly invited me to address this conference on the subject of "the methods, goals, and areas of research of British business history," I was simultaneously pleased, flattered, and highly apprehensive. Indeed, the more I thought about it, the more conscious I became of my own inadequacy to present such a survey. It is true that I have a reasonable idea of what is going on in this field; a knowledge of the subjects recently and currently under investigation, of the method being employed in those inquiries, and of the objectives being pursued; but this information is only partial and I am somewhat removed, both at the University of Aberdeen and at Caltech, from the center of the ferment to be fully confident of the validity of the generalizations that spring to mind. For these reasons may I request your indulgence and present you with a personal, if not somewhat idiosyncratic, view of the British scene.

Gallons of ink have been spilt in the learned journals, in prefaces to symposiums, and introductions to monographs in efforts to define business history and I do not propose to add to the flood. Nevertheless, it has to be said that in Great Britain, business history -- despite substantial developments in recent years -- is still regarded as an integral part of economic history. As Peter Mathias recently explained to a conference on business history held at Cranfield Institute of Technology:

When we are talking about business history, seeking to explain and justify our activities, the target for such reflections tends to be the academic community of other historians and the justifications are sought primarily in terms of academic values within historiography. We tend to ask such questions as: how does business history fit into the pattern of economic history or of historiography as a whole? On what terms does it claim to be judged in relation to other kinds of history? What insights does it contribute to economic change more widely? How will it contribute to our understanding of the performance of the British economy in the past? [34, p.

This attitude has several implications. In Great Britain most of those who find their source material primarily in company records and who take as their starting point the entrepreneur and the firm rather than anything else (see [38, pp. 21-23]), tend to see themselves as economic historians and, like historians everywhere, seek primarily "to plot sequences of change, understand processes of change for their own sake, and identify the variables and their interrelationships involved in change" [34, p. 3]. This means that, at least until recently, few, if any, British business historians have made any real effort to produce monographs which have either any explicit role in management education (for one view of what is required, see [6]), or, it must be confessed, have they made many conscious or sustained efforts to influence, or even to attract the attentions of their potentially close colleagues, the economists. Important developments are currently taking place in Great Britain that promise to give the study of business history a greater impact, a wider appeal, an enhanced utility, and a higher status.

This is not to say that the subject is presently unhealthy. We have progressed far from the state when otherwise reputable historians could stigmatize economic and, even more, business history, as being little more than the study of laundry bills and hence hardly worthy of mention. It is unnecessary for me to tell this audience of the creation and subsequent flowering of the journal *Business History*; of the foundation of the Colquhoun Lectureship in Business History at the University of Glasgow; the establishment -- however tentatively -- of many courses either explicitly or implicitly concerned with entrepreneurship and business history at various British universities, institutes of technology and colleges of further education (see the interesting paper, [25]); the publication of such major works as Donald Coleman's *Courtaulds* [14], W. J. Reader's monumental history of *I. C. I.* [41], Roy Church's *Kenrick's* [12], Theo Barker's study of *Pilkingtons* [3], B. W. E. Alford's *W. D. & H. O. Wills and the Development of the United Kingdom Tobacco Industry* [2], Barry Supple's *Royal Exchange Assurance* [45], F. E. Hyde's series [27, 28, and 29] of penetrating studies of shipping companies, and a whole host of important monographs. The appearance of detailed biographies of individual companies, highly objective, perceptive, and frequently fascinating, has been paralleled by a much greater use of business records in the compilation of studies of entire industries (brewing, steel, banking, several branches of textiles, papermaking, engineering, and the like) [4, 7, 11, 17, 18, 20, 22, 33, 39, 43, 46, and 49] and of geographical regions ([48 and 50] are good examples).

This greatly increased use of business records has sometimes been made possible, certainly facilitated, by the remarkably detailed surveys of business records currently being made in Great Britain. Some have already appeared ([35]; Cockerell and Green's

survey of insurance records [13]; my own list of Scottish business records [40]; Joyce Bellamy's study of the published materials relating to Yorkshire business history [5], and so on); others are in an advanced state of preparation. The National Register of Archives has been publishing annual lists of surveys of business records, and the Business Archives Council in London and its Scottish counterpart have, in their periodic bulletins, newsletters, and occasional publications, regularly made known the latest discoveries (see, for example, [8, 9, and 44]). Many of these are now available at such depositories as that established at the University of Glasgow and those created by private and state-owned companies (for example, Pilkington's, the British Steel Corporation, and the National Coal Board). In short, business archives have been found to have survived to a degree only dreamed of even a decade or so ago. Much has still to be done: the basements of lawyers' offices, for example, remain the repositories of a great mass of material; the banks, while infinitely more forthcoming than in the past, are still reluctant, perhaps understandably so, to permit access to the records in their possession; but the archives already opened to the reputable scholar now permit a remarkably broad and comprehensive industrial, financial, geographical, and chronological coverage. The archives of individual business concerns are, moreover, more capable of being supplemented by the data generated by past governmental inquiries into manifold economic problems. Those produced by the Board of Trade during the difficulty-ridden interwar period are now becoming available for consultation at the Public Record Office and have been fruitfully utilized by students such as Leslie Hannah [24]. The nationalized industries, predominantly coal, gas, iron, and steel, have accepted responsibility for, and readily made available, the voluminous records of the companies, many of them of considerable antiquity, now vested in state ownership.

The entire "sources" scene, if I may so phrase it, has been transformed in the last two decades: not least by the more responsible attitudes of many of the accountants appointed liquidators of bankrupt and moribund concerns in locomotive building, engineering, textiles and shipbuilding, several of whom, having performed their statutory duties, have deposited the surviving books and papers of the concerns that they have liquidated in public and university libraries and regional record offices rather than, as in the past, destroyed them.

So much for our "raw materials." To what use are they being put? Attention has already been drawn to one or two of the major company histories recently published in Britain. These examples could be supplemented by numerous articles and unpublished theses investigating past business behavior based in whole or in part on the archives of defunct or active firms. These monographs increasingly exhibit a greater quantitative sophistication and a

higher analytical awareness than those being written even in the late 1950s and early 1960s. Instead of simply telling a chronological story -- however inherently interesting -- more business historians than ever before are searching out linkages within the industry or industries of which their subjects formed a part and with the operations of the economy as a whole. No longer are we contenting ourselves with fashioning single pieces of mosaic. Conscious efforts are frequently being made to juxtapose individual fragments with others so that more dynamic overall pictures are being created. We are probing more fully the very mechanism of economic change at the company level. In doing so the methods of the econometrician are slowly being introduced, the counterfactuals becoming ever more explicit, the modes of thought, the models and the theoretical guidelines of the economist being increasingly employed.

In the context of this brief paper, perhaps the area of study in which the application of economic theory has had the greatest impact in the clarification of issues and in the formulation of the most pertinent questions to be answered has been in the debate about the declining rate of growth in Victorian Britain and the culpability of the entrepreneur in bringing about the state of affairs. It is unnecessary to rehearse the various arguments on this fascinating issue, they have been well set out by McCloskey and Sandberg [21], but it is now patently clear that we are confronted with two fundamental issues: first, how can the performance and quality of entrepreneurship be measured; and second, whether it is particularly significant.

Only by answering the first question can the second be answered. Among the possible criteria in answering the first question have been suggested profit foregone by the choice of non-optimal techniques of production, assessed by cost-benefit analysis, or adaptability in taking advantage of new technology, or profits or productivity, which may all be used separately, or better together, for this purpose. All these criteria involve problems both of measurement and of evaluating the significance of what has been measured, but they all have the advantage that the issues are clarified, that a quantitative solution is applied to a quantitative problem, and that the assessment of the entrepreneur is focussed upon the tangible aspects of his activity rather than inferred from some other indirect indicator. Even if this approach does not lead swiftly to definitive conclusions, and given the complexity of the problem one should not expect that to happen, it will at least dissipate some of the mists of mythology from the discussion [31, pp. 17-18].

Alongside this application of econometric techniques to business history and reinforcing it, has been another promising approach to making more valuable the classic company history -- the quality of which has, as I have indicated, improved steadily in Britain in the last decade. In 1975 Leslie Hannah, consciously seeking to do something about the perennial problem of answering the question of "how do we add them all up?" and wanting to squeeze the maximum benefit out of Professor Alfred Chandler's sabbatical year at All Souls, Oxford, organized a conference in London to explore the applicability of what might be called "doing a Chandler" on the available British material. That is to say, a number of us -- including Professor Chandler himself -- formally got together and made a preliminary attempt to relate modern developments in corporate structure to particular strategies. The fruit of this most stimulating of conferences has recently been published [23] and, at the very least, this pioneer meeting (1) demonstrated the possibility of using systematic models of organizational and policy change to elucidate several major issues with which British economic historians are grappling, and (2) indicated a number of interesting questions to which business historians might seek to address themselves if their monographs are to coalesce with those of their otherwise completely independent fellow workers, thereby providing some basis for generalization concerning the influence of institutional arrangements on economic growth and development (see the interesting article [1] and also [30]).

Let me conclude these all too brief remarks by mentioning two current projects which promise to be of abiding importance to the development of business history in Britain. First, last year there appeared the first title in the *Europa Library of Business Biography*. This new series, under the general editorship of Neil McKendrick, well-known for his work on Wedgwood (McKendrick's many articles on Wedgwood have been listed by him in his general introduction to [36]), aims to remedy the embarrassing neglect of the British businessman, long the victim of literary luddism, and to shed some much needed light on his role in promoting or retarding economic growth. Three works have now appeared: *William Morris, Viscount Nuffield* [36]; *Sir Alfred Jones* [15], the shipping magnate; and a study of *The Vickers Brothers* [47]. Other titles are in preparation [15]. If this venture is a success -- and no one could do more to make it so than McKendrick himself, who has contributed some masterly introductory essays -- it will help to diminish the fog of ignorance currently surrounding "the British entrepreneur." Second, of potentially great importance is the scheme to establish a business history unit at London University. Actively sponsored by Sir Alastair Pilkington and a group of prominent British businessmen, and given impetus by the untiring efforts of Professor Theo Barker of the London School of Economics, the appeal which went out last year to the largest 200

British companies and 200 others chosen on a random basis has already raised over half the target figure of 400,000 pounds needed to finance the unit for a seven-year period. Among the possible research themes which it has been suggested that the unit might pursue are the development of modern management structure in Britain; a whole complex of questions related to decisionmaking in business (one of which is the extent to which the creation of statistical departments and forward planning has reduced the risk element in business); an anatomy of the British entrepreneur, which would, in effect, be an extension of the seminal work of Charlotte Erickson [19] and the creation of a body of knowledge of the businessmen parallel to that of the working man being pioneered by John Saville and Joyce Bellamy at the University of Hull [42]; a range of questions concerning the special managerial problems of big business; and a study of the relationship between business and government. This list is by no means exhaustive, but even if some progress can be made in elucidating but a few of these interrelated questions, the unit promises to make a profound impact on the development of business history in Great Britain and create a much greater understanding by the public at large of present-day problems in business.

Enough has been said, I trust, to indicate to you that the discipline that is the very subject of this stimulating conference is both healthy and thriving across the Atlantic. I would simply wish to thank you for giving me the opportunity to tell you a little about it.

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