

Editorial and annual report

In this edition we are fortunate to have seven articles, the first four of which deal with trade, fashion and transport.

In our lead article, “The changing relation between CEOs and shareholders: a case study on Royal Philips NV, 1971-2001” – authored by Abe de Jong, Michiel Wolfswinkel and Marieke van der Poel (Erasmus University, Rotterdam and PWC) – we have an exploration of one of the most fundamental issues in management: the relationship between professional managers and shareholders. As readers of this journal would be aware, since the publication of Berle and Means’ (1932) famed study on “agency”, there has been a view that the dispersal of shareholder equity in modern firms has allowed senior management to often pursue goals that suit managerial rather than shareholder interests. In engaging with this debate, De Jong, Wolfswinkel and Van der Poel use the work of Jensen and Meckling (1976) as their starting point; a work that emphasised the growing importance of investor relations in large corporate firms where predatory takeovers have become increasingly commonplace. To explore the changing relationships between CEOs and investors, De Jong, Wolfswinkel and Van der Poel examine the circumstances at Philips, a firm long famed for its electrical products. Originally a Dutch-based producer of electric light bulbs, Philips diversified during the 1930s. As part of this diversification, Philips’ overseas operations were transferred to two trusts, Philips Corporation (USA) and British Philips. By the 1970s, however, Philips’ command of the electrical market – which had been based on technological superiority – was being undermined by low-cost Asian competitors. De Jong, Wolfswinkel and Van der Poel reveal that as the technological and financial position of Philips deteriorated, so it was that investor perceptions of the reigning CEO – and the capacity of CEOs to communicate with investors – became increasingly important. This trend became particularly marked during the 1990s, when Jan Timmer (1990-1996) and Cor Boonstra (1996-2001) undertook major restructures; the former commencing his term in office by announcing a €1bn loss and the sacking of 50,000 company workers. As De Jong, Wolfswinkel and Van der Poel demonstrate, however, investors became not only more interested in CEO announcements but also deeply interested in the personalities of the CEO and their perceived capacity to implement and communicate positive change. Formal intra-firm investor relations strategies, in contrast, became less important.

Our second article – “Profit or utility maximizing? Strategy, tactics and the municipal tramways of York, c. 1918-1935” – is one that I found fascinating. Undertaken by Kevin Tennent (University of York, UK), this study epitomises the best of management history, combining detailed empirical research with a sophisticated theoretical framework, told in an easily read and accessible manner. In essence, Tennent seeks to understand the factors in the rise and, more particularly, the fall of publicly funded and owned transport systems. In doing so, Tennent challenges the view that publicly owned transport systems – such as that which he analyses in York (a historic administrative and religious centre in northern England) – suffered from a managerial approach that emphasised maximum utility (i.e. encouraging public usage regardless of cost) over profits. Originally established by private owners in 1881, York’s tramway system soon came under municipal ownership, operating as York Corporation Tramways; an entity that not only expanded and electrified the original tramway system but which by 1921 was also operating petrol bus and trolleybus services to bring passengers into the orbit of the tramway network. From the outset it was intended



that, as York's Mayor declared in 1916, the system would "pay". However, as Tennent observes: "Profit maximisation proved difficult to achieve in practice". Part of the problem was that tramways, as with railways, suffered from high capital costs. This typically saddled their operations with high levels of interest repayment. In this, York's tramways were no different from the norm, requiring a number of bailouts from the York municipal council in the course of the 1920s. Competition from small, privately run bus companies also eroded the position of the tramways. As traffic in York's expanding suburbs became more important, the utility of the Corporation's legacy infrastructure in the historic city centre also diminished. In the face of such challenges, the expectation that the Corporation would "pay" its way was revealed as a chimera. Despite a number of subsidies and restructures, mounting losses eventually forced the closure of York's tramway system, the last tram operating in September 1935. In the end, Tennent argues, York's tramways were ill-served by a profit-maximisation approach; an approach that reduced rather than increased the appeal of the system to York's army of low-paid workers and commuters.

In our third article, "From corner store to superstore: a historical analysis of Sainsbury's co-evolution", the history of the well-known British department store, Sainsbury, is explored by Olu Aluko and Helen Knight (both from Nottingham Trent University, UK), through the lens of a "co-evolutionary" perspective. This holds that organisational change and environmental change do not occur independently of each other. Instead, each shapes the other. A key indicator of an organisation's institutional power, then, is found in its capacity to shape the environment in which it operates. From its foundation as a small "corner store" in London's Drury Lane in 1869, Sainsbury stood out from its competitors, so Aluko and Knight argue, through its effort to "simultaneously adapt to and influence the external market". Primarily based on an exploration of the Sainsbury Archive (London Docklands Museum), Aluko and Knight's study traces this process of adaptation and influence over the period from 1869 to 1991. In the first period of Sainsbury's growth (1861-1913), it is argued, the key factor in this process of adaptation and influence is found in the firm's emphasis on quality food. Operating under the motto of *Quality perfect, prices lower*, Sainsbury stood out from the low-quality – and often unhygienic – offerings of its competitors. During the second period of the firm's history (1914-1949), which was characterised by extended periods of food rationing in Britain, the keys to Sainsbury's growth, Aluko and Knight demonstrate, were the links between its stores and the local communities within which they operated. When rationing was introduced in 1939, for example, Sainsbury managed to lock-in a large customer base by facilitating householder registration (households were required to register their ration book at a particular store). In the post-war environment (1949-1970), Sainsbury was again proactive in shaping the retail experience, being a pioneer in "self-serve" checkouts in Britain. In the period between 1970 and 1991, which Aluko and Knight identify as Sainsbury's "heyday", the firm continued to expand its "social power". What united all these stages in the firm's history, Aluko and Knight argue, is a continued capacity to use "social networks and positions to engender change".

Our fourth article – "In spite of everything? female entrepreneurship from a historical perspective: the Italian businesswoman Luisa Spagnoli (1877-1935)" – continues the retail theme. Authored by Francesca Picciaia (Università degli Studi di Perugia), this study notes that studies of businesswomen "are currently at the crossroads of different research fields, such as sociology, anthropology and literary analysis"; a crossroads shaped by the fact that, in the past, opportunities for independent female business endeavour have been limited by environmental factors that favoured males. To the extent that there has been research into past female business ventures, such work has, Picciaia notes, largely focused on UK and US experiences. Picciaia also correctly notes "the marginal presence of women in management history". To help

fill the comparative void in these areas, Picciaia explores the life and times of Luisa Spagnoli, the matriarch of the Perugia-based Perugina company and the founder of the Luisa Spagnoli fashion label; a brand that currently fields 193 shops around the globe. In every aspect, the story of Luisa Spagnoli is extraordinary. Effectively assuming control of the family company in 1914, Luisa oversaw a major expansion in the firm's operations. As the company expanded under her stewardship, her husband took legal action to block her appointment as a board member. When this manoeuvre failed, he departed, leaving the business under Luisa's direction. As for Luisa's venture into high fashion, this stemmed from her strange menagerie of pets, which included Angora rabbits; rabbits whose fur contributed to the initially artisanal knitwear of the fledging Luisa Spagnoli fashion brand. What is most impressive about Picciaia's study, in addition to the impressive archival research on which the study is based, is how she locates the experiences of Luisa Spagnoli within the legal, institutional and cultural circumstances of late-nineteenth-century and early-twentieth-century Italy. In this regard, Picciaia's study is exemplary. I would also commend Picciaia for her efforts in continually refracting the stylistic presentation of the paper as it progressed through the review process, turning the paper in the process into one that is highly readable.

The fifth article in this edition, "Management as an integrating activity: a comparative textual analysis of the work of Mary Parker Follett and Oliver Sheldon", is, as the title suggests, an analysis of the contributions to "scientific management" of Follett and Sheldon. Undertaken by Sebastien Damart (Paris-Dauphine University, France) and Sonia Adam-Ledunois (University of Rouen, France), this study notes that while Mary Parker Follett "has been canonised as a pioneer of management", Sheldon's work has been comparatively poorly researched, if oft cited. To explore the intellectual influence of Follett and Sheldon, the study undertakes two main tasks. First, it provides us with a summary of the lives and ideas of both Follett and Sheldon. In the case of Follett, this biographical summary highlights her prodigious success of a student at a time when few women went on to higher studies; a success characterised by not only a doctoral degree from Harvard but also studies at Cambridge in the UK. Such educational experiences provided Follett with not only the intellectual skills but also the personal and political contacts for her subsequent career as an advisor to both public and private entities. Sheldon, although from a humble background in pre-1914 English society, also enjoyed a brilliant student career, graduating from Oxford University. After military service during the First World War, Sheldon returned to a career in the British chocolate company, Rowntree & Co.; a career that saw him swiftly rise to the rank of Chairman. Having located the careers of both Follett and Sheldon in their historical context, Damart and Adam-Ledunois then undertake an extensive textual analysis of their work. As readers can ascertain, the scope of this textual analysis is truly impressive, embracing the key work of both management theorists. A key conclusion that Damart and Adam-Ledunois draw from their extensive textual analysis is how each emphasises "the holistic dimension of management", albeit in different ways. For Sheldon, Damart and Adam-Ledunois argue, "the holistic dimension of management takes the form of the primacy afforded to the community". A company is, in other words, only successful if it enriches and provides benefit to the wider community. For Follett, in contrast, the holistic dimension is centred around the backwards and forwards relationship between a firm and its employees and the wider society; a relationship that makes it difficult to distinguish "between the individual as a *citizen* and the individual as an *employee*".

In the penultimate article in this edition, we venture into more contemporary settings in an article entitled "From the Industrial Revolution to Trump: six periods of changing perceptions of American business managers". Authored by Anthony Gould (Université Laval, Québec), Michael Bourk (Gulf University for Science and Technology, Kuwait) and Jean-Etienne Joullié

(also Gulf University for Science and Technology, Kuwait), this study attempts to locate the recent political success of Donald Trump within the wider history of business involvement in US politics. As Gould, Bourk and Joullié note, “the businessman as saviour thesis is not new”. In 1992, the self-made billionaire, Ross Perot, won a significant popular vote as an independent candidate despite facing the well-funded campaigns of H.W. Bush and Bill Clinton. Nelson Rockefeller served as both Governor of New York State (1959-73) and Vice-President (1974-77); Steve Forbes, publisher of *Forbes* magazine, sought the Republican presidential nomination on two occasions (1996 and 2000). In exploring the historic success of American business figures as politicians, Gould, Bourk and Joullié examine shifting perceptions as to the legitimacy of private- and public-sector domains. In reviewing perceptions of managers and other business leaders, Gould, Bourk and Joullié note that for most of the nineteenth century, a career in business was often seen as somehow morally reprehensible; the dubious nature of a business career reflected in the fact that no American university offered a business degree prior to 1891 (when the Wharton School of Finance was established). Nevertheless, Gould, Bourk and Joullié point out, by 1900, businesspeople played a prominent role as philanthropists and social reformers. As the twentieth century progressed, moreover, the professionalization of management and the growth of “a bureaucratic middle class” added to business’s social weight. Meanwhile, the intellectual weight of business was boosted by the work of a range of management theorists (Frederick Taylor, Peter Drucker, etc.). In the wake of the Financial Crisis of 2008-2009, Gould, Bourk and Joullié contend, these conflicting perceptions about management and business became increasingly polarised. While some laid “most of the blame at the feet of the private sector”, others saw in leaders such as Trump, “a businessperson who can turn the flamethrower on government incompetents”. In the final analysis, Gould, Bourk and Joullié suggest, Trump succeeded in large part because “knowingly or not, in crafting his strategy, he was reading history well”. Even those who disdained businesspeople as greedy tended to believe that, in contrast to the individual steeped in a public sector background, businesspeople were “at least competent, good at getting more”.

In our final article, “Aiding entrepreneurial success: Insights from critical pedagogy and African-American management history”, we are confronted with an articulate argument for a greater integration of accounts of African-American entrepreneurship and management history into US business curriculum. Undertaken by four US-based authors – Leon Prieto (Clayton State University, GA), Simone Phipps (Middle Georgia State University), John Osiri (University of Nebraska-Lincoln) and John Lecounte (Texas A&M University) – this study begins by noting the current paucity of courses dealing with African-American entrepreneurship and management in US business schools. In pointing a way forward, Prieto, Phipps, Osiri and Lecounte evoke the intellectual and business contribution of Charles Clinton Spaulding. Born 10 years after slavery ended in North Carolina in 1874, Spaulding forged a business career through the dint of ability and hard work. After a period as manager of a cooperative black grocery store, Spaulding was at age 26 charged with the reorganisation of the North Carolina Mutual and Life Insurance Company. Subsequently, while continuing to serve with the North Carolina Mutual and Life Insurance Company, Spaulding also acted as a trustee at various universities, the Chair of the board of a major hospital and a voice for African-American interests in the media and politics. An indicator of Spaulding’s contribution is found in his induction into the National Business Hall of Fame in 1980; the first African-American to be granted this honour. Prieto, Phipps, Osiri and Lecounte also highlight Spaulding’s intellectual contribution to management, most notably through the publication in 1927 of *The Administration of Big Business*; a work that highlighted what he regarded as the eight fundamental “necessities” of management (cooperation and teamwork, authority and responsibility, division of labour, adequate

labour, adequate capital, feasibility analysis, advertising budget and conflict resolution capacity). Subsequently, in a 1937 article, "Business in Negro Durham", Spaulding outlined what he believed were the four "cardinal points" for entrepreneurial success (personal character, understanding of fundamental business principles, access of cash or its equivalent and a social service role for business). Prieto, Phipps, Osiri and Lecounte argue that the contribution of Spaulding and other African-American entrepreneurs must in the future inform the pedagogy of American business schools to a much greater degree. By doing so, they argue, business schools will benefit not only African-American endeavour but also all students through improved understanding of past African-American achievements. It is a powerful argument.

State of the journal

As this will be the final issue of *JMH* for 2017, it is only fitting that I provide an overview of the journal's performance over the past 12 months. The principal news relates to the release of the annual citation index scores. The 2016 statistics for *JMH*, as for other journal, relate to the period 2013-2015, which precedes the time when the new Editorial team assumed direction of the journal. The 2016 statistics indicate that *JMH* had an index score of 0.59. This is well down on last year (1.34), which covered the period 2012-2014. However, the 2016 score is identical with that for 2014, which covered the years 2011-2013. *JMH*'s score also compared favourably with most other journals in the management/business history domain: *Management and Organizational History* scored 0.58; *Business History Review* scored 0.66; and *Accounting History* scored 0.52. Even the leader in the field, *Business History*, achieved a score (1.12) less than that achieved by *JMH* in 2015. Given that most of these journals boast a much longer heritage than *JMH*, our performance is clearly more than credible.

One thing that is increasingly evident in the field of not only management/business history but academic journals more generally is that what counts is not so much the quality of the journal but the quality of the article. Increasingly, most of us no longer research as we once did, by going to the "leading" journals and reading back issues. Instead, we engage in Web searches for particular terms; searches that bring up articles according to relevance rather than journal title. Mindful of this, *JMH* is planning to move to a process of immediate publication once an article is accepted after the review process. This means that although we will continue our traditional format of four issues per year (typically containing six articles), the articles that make up a particular issue will appear in the on-line version as they are accepted. As has been the practice of the current Editorial team, we will continue our policy of trying to have every paper submitted to the journal reviewed within four weeks. Once combined with the new publication policy, this will ensure the fastest possible transition from submission to publication.

Finally, on a sadder note, I must regretfully advise that Professor Katja Rost has been forced to step down as an Associate Editor of *JMH* owing to significant health issues. This has forced us to postpone our planned Special Issue on "Long Movements" in management history. I would therefore like to take this opportunity to thank Katja for her service to *JMH* and management history. There are no scholars I respect more.

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