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## THE STUDY OF BUSINESS BIOGRAPHY

by

*Sydney Checkland*

William Robertson, who as historian was one of the great ornaments of the Scottish Enlightenment, thought it 'a cruel mortification' that whereas there are recorded with 'minute and disgusting accuracy, the desolating exploits of conquerors', and 'the freaks of tyrants', oblivion has been the fate of 'the discovery of the useful arts and the progress of the most beneficial branches of commerce.' (*Historical Disquisition on India*, p. 46). Business men as the promoters of invention and trade have indeed been largely passed over by historians and society, except by those who would indict them as a class. The present volumes are a belated attempt to correct the omission so far as Principal Robertson's native land of Scotland is concerned, and to contribute something to the wider understanding of business behaviour between 1860 and 1960.

### *1. The Case for Business Biography*

The University of Glasgow was first in the field in Britain with business history, with its pioneering Colquhoun Lectureship in 1959 and the first professor of the subject in 1979. It now possesses a splendid collection of business records, one of Britain's best. From the beginning it was plain that business history was a very large and complex subject, challenging its practitioners and their readers to view the economy through the operation of firms and industries responding to market changes, variations in labour supply, new technologies, capital availability and governmental actions. For whereas economic theory, both neo-classical and Marxist, could largely ignore the business man, or subdue him to a few *a priori* generalisations, any serious consideration of business based upon direct observation, documents and data, brings a realisation that for an understanding of the performance of business a much more sophisticated and demanding approach is required.

On the founding of the Business History Unit at the London School of Economics in 1979 it was decided that business biography should be a high initial priority. So it has come about in Britain that two ventures of this kind, in London and in Glasgow, have been undertaken. Support has been forthcoming from the Economic and Social Research Council. In the Scottish case there has also been generous backing from the Scottish business community. The two programmes have been to a considerable degree co-ordinated,

though there are some differences of emphasis and presentation.

Behind the more thematic questions concerned with the performance of the business world in general there has always lain the mystery of personality, to be approached only through biography. As the Glasgow programme developed, beginning with comprehensive studies of *steel*, *shipbuilding* and *banking*, more and more intriguing personalities emerged, living through their life cycles, rising to their apogee of success and influence by the making of the right decisions or in some cases by more dubious means. Some were men of business pure and simple, but others were also inventors of great ingenuity. Some were ameliorators as philanthropists, while others had no great concern for the lives of their workers. Yet others ran the governments of their city regions. All of course had relations with the labour force, generating employment and wages, often accompanied by tensions and hostilities as they tried to pass on to the labour force the effects of falling prices, shrinking markets or board-room error. All contributed to the growth, shape and sociology of the cities by their choice and use of sites, being the strongest bidders for urban land.

With all this arises the question of personality formation and driving motivation. Profit was of course important because it was a basic condition of viability. But it seldom seems to have been the mainspring. There was the exhilaration of business itself, what David Hume called 'the quick march of the spirits'. There were power drives, the urge to control and manipulate, to be the head of the largest business of its kind. There was peer approval and esteem, necessary both as a reassurance and an accolade, but also an important prop to credit standing, especially when times were tight. Thus the idea of the self was irretrievably mixed with the formation and conduct of business. Firms were built round personalities and vice-versa.

Certainly such men have in the past been scurvily dealt with by the *Dictionary of National Biography* where clergy, dons, politicians and soldiers proliferated beyond their due, but where the hero of business, in spite of Carlyle's admiration for him, were largely passed over. This, of course, was a reflection of the value system of late Victorian times which conceded little esteem even to the high achievers in the low status but crucial activity of business. Nor has the business man fared much better more recently. The folk song revival, because of its often radical point of origin in society, had taken the employer as the villain of the piece, whether in the factory or on the farm. No folk-song celebrates his beneficence. At a different level the novelist and playwright have invaded the boardroom, followed by the television producer, generating a notorious stereotype, often implying a simple correlation between sexual and business energy, together with a total unscrupulousness in the application of both. The labour historians for their part are enshrining the men who were so often the opponents of the business men, namely the heroes of the trade unions and of labour politics, producing successive volumes of the *Dictionary of Labour Biography*. For these many reasons, together with the fascination of biography for its own sake, an approach to Scottish business in terms of the lives of its principal and characteristic contributors has been for some years an attractive proposition.

## 2. *The Unique Biography*

The author of each biography, with the aid of guidelines compiled by the editors, was challenged to epitomise a life performance in business. Very often the attempt to do so revealed great gaps in the information needed to understand a life. Compared to politicians, who live by public action and utterance, and much of whose lives are part of the published or archival record, the business man, unless involved in public scandal, bankruptcy or other court proceedings, can live a life which is as veiled as he prefers. Until perhaps the 1950's newspaper, obituaries of the heroes of businesses tended to confine the principal activities of their subjects to a line or two, riding off into their hobbies and philanthropies. Even when material is relatively plentiful, our authors encountered all the central problems of the biographer, namely how to extract the essence of a life.

There is clearly something of a divergence between the separate biographies approach used here and the attempt at synthesis through standardisation of data and the computer, the proposed next stage in our programme (see Appendix). Each biography has a single point of focus, namely a unique life; by contrast the quantitative synthesis represents an attempt to extract what is common and shared between business men and to make patterns of these characteristics. This is, of course, a particular case of the general difference between the case study scholars, with their emphasis on the qualitative, and the survey-minded whose thought processes are category-seeking and quantitative.

In aid of the quantifier, however, there has now developed a certain perspective on what we want to know about a business man. For the sociologist this derives from concern with the culture pattern governing parenthood and childhood, the element of deviance that generates a true entrepreneur, the nature and activities of elites and the pattern of ownership and power. For the economist the central feature is the functioning of the business, which is both the context of the entrepreneur and his *alter ego*. How was the enterprise launched or what was its condition when our subject rose to power within it? What circumstances governed the supply of inputs, including labour; what changes took place in the relevant technology, how was finance raised and managed over time, what kind of relations with labour were there, how far did the state affect the outcome either as purchaser of the products of business or as setter of its parameters? Perhaps most interesting of all, what were the crisis points, arising from changes in the above economic circumstances, and how did our individual, under certain sociological imperatives, respond to them? The lives of most business men, like those of the rest of us, consist of long periods in which the basic shape of things is settled (and in which mental postures are confirmed), punctuated by testing challenges that require more than incremental adjustment. That is why the coming to birth of the firm, plus its responses to major challenges, are the most engaging and illuminating phases of a businessman's life.

Operational tests of success for individuals are notoriously difficult to establish. They continue to haunt those who seek a verdict on the British business community as it passed from the High Victorian age to the hostile environment of the inter-war years and the opportunities following the second world war, not to speak of the wars themselves.

Inevitably the problem has to be disaggregated into industries and their differing evolutionary paths, down to the men who formed and presided over them. Spectacular successes leap to the eye, but even here the criteria of business performance are not simple – success may have derived from external circumstances such as new markets, advancing technologies, rising incomes or changing tastes. The problem of slimming the old basic industries through rationalisation carried out by the industrialists themselves, by public corporations or the state, is a further area in which judgment is very difficult.

### *3. The Industrial Setting*

The biographical essays are not presented in a merely alphabetical sequence, but are arranged under sectors or industries. Each business man is thus to be seen in terms of his general line of activity where he met his competitors. This is necessary because business experience and behaviour is often, to an important degree, sector-specific: steel, engineering, textiles, retail trade and the rest all generate their own business cultures. This was often accompanied by family dominance, as in coal, chemicals, shipbuilding, and iron and steel. The object of providing an introduction to each industry has been to indicate the general lines of development, but to do so as far as possible in terms of what is revealed in the biographies. There have, of course, been problems where a protean entrepreneur was involved in many industries and his allocation to a sector has had to be on a common-sense basis. Such men are in themselves a phenomenon, becoming more numerous with the passage of time, with the spread of limited liability and with the growth of large-scale finance, bringing the possibility of wide-ranging ownership and manipulation.

### *4. The Regional Setting*

Scotland provides the basis for both a regional and a national study of entrepreneurship. The regional aspect is plain enough, with Scottish men of business well aware that they were functioning in a particular spatial sub-division of Britain, subject to the market and commercial power of England and especially of London. There is thus in their story the implied question: how far can the entrepreneurs within a regional economy generate, sustain and retain initiatives, or more precisely, in what sectors in a given state of technology is this possible and in which must it suffer defeat? As the British industrial economy matured toward the end of the nineteenth century strong regional patterns of success were becoming apparent. Certain regions won out in certain trades (South Lancashire in cotton, the North-East of England and Cheshire in chemicals, the English Midlands in automobiles): Scotland's primacy lay in heavy engineering, marine engines, pumps and other such gear, shipbuilding and explosives. This was the package upon which Scottish business men had come, in large part, to rest their industrial economy.

The national aspect stems from the distinctiveness of Scottish culture, based upon its distinctive history, geography, education, religion and law, together with the sense of identity and mutual loyalty as being different from the English.

### 5. *Prosopography, and the Study of Elites*

The historians of business are not alone, of course, in being confronted by the challenges of collective biography. Indeed a considerable branch of history was developed under the cumbersome name of prosopography, intended to illuminate various historical experiences in just this way. Classical scholars have approached the Roman world by this route, Charles Beard sought clues to the framing of the American constitution by scrutinising its authors, and Namier renovated the study of eighteenth century British politics by disaggregating them to the level of individuals. Phillip Burch has listed the men who have gathered round the Presidents of the United States since 1933, in terms of education, status, family and business association. It would seem that prosopography has had its greatest successes to date in illuminating situations of politics and power, where this or that grouping or confederacy was triumphant in gaining its ends within a particular power configuration. But French scholars are seeking to make prosopography more systematic, beginning with an impressive bibliographical exercise (See *Prosopographie des elites francaises (XVI-XX Siecles)*, *Guide de Recherche*, Paris, 1980). Only by so doing can the real potential and limitations of the method over the field of history generally be discovered.

Carlyle once said that 'History is the essence of innumerable biographies': the problem is how to extract the essence and make a potion of it. The individual is our immediate concern; beyond him it is necessary to grasp the nature of the group as a system of interaction, leading to a sociology of the entrepreneur. In this the concept of an elite must have its place. Scottish businessmen in the nineteenth and early twentieth centuries necessarily turned themselves into a kind of mutually supportive, though competitive, community. Within it friendship, shared information, status, cultural ethos, clubs and other fraternising amenities played important parts, together with a shared physical situation and the same labour pool, all operating within a Scottish system of values and motivation.

Within this complex pattern a number of coterie stand out as foci for Scotland's increasingly powerful business aristocracy, like that centred upon Sir Charles Tennant the chemicals king, that dominated by Charles Randolph, shipbuilder, the Glasgow-based investment trusts which were used as a vehicle for the promotion of the Anglo-Persian Oil Company, and the personal and business contacts brought together by John Cargill to form the Burmah Oil Company. In the formation of these constellations of interests, contacts made and confirmed on the Boards of Directors of the banks and the railways could be central. We need to know more about the way in which the spate of amalgamations from 1870 to 1914 was related to such personal configurations, with banking, insurance and railways heading the amalgamation movement. The question continues to be an important one in more recent times.

## 6. *The Challenge of Theory*

The problem of modelling the business man inevitably leads back to theory. There are a good many constructs deriving from economics, sociology, anthropology and psychology. They are of two kinds. There is micro theory from each of these disciplines, dealing with particular configurations of behaviour within more or less specified contexts. On the other hand attitudes toward the business man and policies based upon them have been and are made subject to generalisations of the widest kind.

Marx offered propositions that have been more darkening than illuminating. The entrepreneur for him was simply a ruthless extractor of surplus value from the proletariat. The business man was the essence of the bourgeoisie which Marx, like so many of that self-immolating class, deeply hated. But apart from Engels, Marx seems to have known no business men and so was untroubled by any need to understand them by observation. Their antics could be simply subsumed in a general theory, one in which the cumulative effect of their actions was so obvious that it was of no interest to probe so transparent and transient a phenomena. It is partly for this reason that Soviet scholars, devoid of any real knowledge of the market economy, have had such difficulty in trying to understand the performance of capitalism, for example in the 1930s and later. And yet for Marx the business man was a justified sinner, for he was historically essential in order to carry society into and out of its capitalist phase. Thus Marx's abstraction of the business man was in a sense flattering, making him into a highly potent villain, though he had no control of his historic role.

By contrast the classical and neo-classical economists drained the business men of all character, presenting him as a mere reactor to market stimuli, by virtue of whose responsive (rather than initiatory) activities the system sought a continuous equilibrium along a rising path. Such a perspective made it unnecessary to ask under what conditions does vigorous entrepreneurship emerge, or fail to do so. There is implied in this attitude the notion that as Adam Smith seemed to believe, any society at any given time has a stock of potential innovators: all that is required is that market liberation and minimal state intervention set them loose. To this kind of reasoning was later added a Darwinian element that saw the interaction of businesses in the market place as being governed by a beneficently evolutionary process, in which entrepreneurs put one another to the test of survival of the fittest.

Schumpeter as an economist found all this lacking in grip. He fixed his attention on the innovative process, seeing the business man as breaking into a given pattern of behaviour and structure, innovating in an act of creative destruction, implementing new combinations, including technology, products, business organisation, markets and methods of production. The effect of such action is cumulative, attracting imitation and generating new patterns. More recently industrial economists have tried to move closer to reality by seeking to arrive at a more satisfactory theory of the firm to explain size, location, investment, price and output policy, responsiveness to change and so on. This approach is, of course, still basically market oriented, with the entrepreneur the responder

to the changing logic of his situation rather than operating upon it directly. This leaves no room for the heroic view of the business man. But if the attention is focussed on the critical points in the story of a firm, especially where crisis management is involved, the hero often re-emerges, accepting the challenge in a welter of information that is often both excessive and unhelpful, and setting a course of action which may be triumphantly right or catastrophically wrong.

The sociologists on the other hand do not accept the spontaneous creation theory of entrepreneurship, but tend to stress the necessary formative conditions for an innovative class, and the conditions for its survival, in the absence of which nothing much will happen. The success of Japanese industry has reinforced this approach through the cultural context. The most ambitious attempt along these lines was made by D.C. McClelland, who argued that the typical case of large scale and sustained entrepreneurial activity came when a society generated a deprived group who were thus stimulated to emulative activity: he referred as examples to the Jews, the Parsees, the British non-conformists and the Japanese samurai. At a more modest level other social historians and sociologists have studied middle class life and innovative deviance (P.R. Thompson, Thea Vigne and Alun Howkins) in an attempt to identify a typical entrepreneurial character and life style stemming from the personality formation process within the family.

## 7. Conclusion

The present volumes of biography cannot, of course, resolve the challenge of theory of the entrepreneur, of business elites or of the firm. They are in a sense Baconian, offering a wide range of experience out of which the reader may seek to make his own inductive sense, with perhaps the general toolbox of theory, micro and macro, in the back of his head, as it has been in the minds of many of the contributors. Even if general theory escapes us, it may be possible to generate a typology of businessmen types. Let us hope, too, that serendipity will play some part.

## *Appendix: The Scottish Programme*

This study has been planned in two phases. The first priority has been a Dictionary of Scottish Business Biography, in two volumes. Some 400–500 separate essays of from 500–3,000 words, dealing with the more interesting and accessible business figures, are thus provided. The second phase is intended, with the addition of a further 500 selected men, to yield the basis for a computerised study of the business community, using standardised data to analyse 1,000 cases. This should provide the basis for a third volume, *The Business Man in Scotland: a biography of enterprise. 1860–1960*. It is hoped that further finance will be forthcoming for this purpose, much of the preliminary work having been completed.

First it was necessary to find a scientific basis of selection for the men on whom data and dossiers were to be compiled. To do this the business community had to be broken down into sectors, using as a guide The Main Order Headings of the Standard Industrial



Classification (1968) provided by the Business Statistics Office, yielding some twenty categories. Public service managers are included in order that senior management in both the public and the private sectors may be scrutinised. Certain sectors are excluded, namely Agriculture, Forestry, Fishing, Defence, Education and the Government Service.

Two problems arose. How were the sectors to be weighed with respect to one another, and how were the companies within the sectors from which the business men were to be selected to be chosen? These difficulties had to be met in the absence of any knowledge of the population of firms at any given time or of the size and nature of the business community. The weighting problem between sectors was resolved by making use of employment data. This was the only measure available throughout the period for all sectors and permitted the calculation of aggregate employment shares.

Within each sector, various criteria of size have made it possible to identify 'core' firms, together with a range of companies of lesser scale. Within the framework the selection of business men was made. The inquiry thus deals with a moving population of business men within categories of selected companies. The problem of finding a systematic basis for selection has proved a more difficult one than expected, but could not be avoided.

The principal headings of the data sheet for each individual are vital statistics, family background, matrimonial characteristics, education, occupational training, career path, family firm (where applicable), wealth and property, social and political profile and social conduct. As to periodisation, assuming a significant business life of 25 years on average, bench marks at 25 yearly intervals between 1860 and 1960 were chosen.

As to the second phase, the data sheets when analysed should bring us a step closer to a sociology of the entrepreneur; allowing us to inspect him at generational intervals. The men chosen were 'successful', so that a systematic view of their leading characteristics should illuminate how the Scottish element of the world's oldest business class working under capitalism converted their part of a green and pleasant land with low incomes and fixed patterns of life to something quite different.