TEACHING BUSINESS HISTORY: INSIGHTS AND DEBATES

Papers Delivered at Harvard Business School, June 2012

Edited by Walter A. Friedman & Geoffrey Jones

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Business History Initiative

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Introduction

On June 28, 2012, the Business History Initiative at Harvard Business School hosted a conference, ñBusiness History: Incorporating New Research into Course Development.ò The Initiative, which was created by the schoolôs dean, Nitin Nohria, in December 2011, both celebrates the Schoolôs long tradition in the subject, and provides the institutional basis to promote and expand the impact of the field. (Information about the Initiative can be found at the website http://www.hbs.edu/businesshistory.) A priority of the Initiative is to facilitate course development in business history, to promote experimentation with new pedagogies in teaching, and to provide support for educators seeking to develop teaching in the subject at their own schools.

This conference was organized around three main questions:

What is the most effective way to teach business history?

What is the role of history in management education?

What is the role of business history in History?

The day was filled with panel discussions on various aspects of teaching business history: on current pedagogical methods, on the history of emerging markets, on the growing interest in the history of capitalism, and on the subfields of globalization, finance, and leadership. The day ended with a discussion of the possible components of a successful doctoral program in business history. What might such a program look like? We asked panelists to limit their presentations to 10 to 15 minutes, to leave time for discussion.

In order to provide an overview of the material that was discussed, we are circulating this e-book. It contains summaries of the presentations. Four special reports discuss the state of business history in Japan, Spain, Thailand, and Germany. A separate e-book, ñGuide to Business History Courses Worldwide,ò contains nearly 200 syllabi of individual courses. This great detail of information provides a view into the way that scholars use history to teach about the nature of business, entrepreneurship, innovation, and capitalism.

We hope that this will be the first of a series of conferences at the School on teaching business history. Our goal is to form a global group of educators intent on developing this field in exciting new ways.

List of Conference Attendees

Tim Alborn, Lehman College, CUNY (timothy.alborn@lehman.cuny.edu)

Edward Balleisen, Duke University (eballeis@duke.edu)

Eldon Bernstein, Lynn University (ernstein@Lynn.edu)

Veronica Binda, Bocconi University (veronica.binda@unibocconi.it)

Marcelo Bucheli, University of Illinois at Urbana-Champaign (mbucheli@illinois.edu)

Frank Cespedes, Harvard University (fcespedes@hbs.edu)

Andrea Colli, Bocconi University (andrea.colli@unibocconi.it)

Eduardo Cuenca-Garcia, University of Granada (ecuenca@ugr.es)

Carlos Dávila, Universidad de los Andes (cdavila@uniandes.edu.co)

Cory Davis, University of Illinois, Chicago (cdavis26@uic.edu)

Walter Friedman, Harvard Business School (wfriedman@hbs.edu)

Balraj Gill, Harvard University (bkgill@fas.harvard.edu)

Oscar Granados, Pontificia Universidad Javeriana (oscar.mge@gmail.com)

Joshua Greenberg, Bridgewater State University (jgreenberg@bridgew.edu)

Dan Horowitz, Smith College (dhorowit@smith.edu)

Martin Jes Iversen, Copenhagen Business School (mi.lpf@cbs.dk)

Geoffrey Jones, Harvard Business School (gjones@hbs.edu)

William Kirby, Harvard University (wkirby@hbs.edu)

Elisabeth Köll, Harvard Business School (ekoll@hbs.edu)

Daniel Levinson Wilk, Fashion Institute of Technology, SUNY (danlw@fitnyc.edu)

Terri Lonier, Columbia College, Chicago (tlonier@colum.edu)

Miguel Lopez-Morrell, Harvard/University of Murcia (mlopezmorell@fas.harvard.edu)

Anthony Mayo, Harvard Business School (tmayo@hbs.edu)

Stephen Mihm, University of Georgia (mihm@uga.edu)

Sharon Murphy, Providence College (smurph13@providence.edu)

Aldo Musacchio, Harvard Business School (amusacchio@hbs.edu)

Shaun Nichols, Harvard University (snichols@fas.harvard.edu)

Julia Ott, New School (ottj@newschool.edu)

Susie Pak, St. Johnôs University (paks1@stjohns.edu)

Pavida Pananond, Thammasat Business School (pavida@tbs.tu.ac.th)

Nuria Puig, Complutense University of Madrid (nuriapuig@ccee.ucm.es)

Felipe Quintero, Universidad de los Andes (fquinteroserrano@gmail.com)

Scott Reitmeier, Concordia University (eitmeier.scott@gmail.com)

Seth Rockman, Brown University (Seth_Rockman@brown.edu)

Caitlin Rosenthal, Harvard University (caitlinrosenthal@gmail.com)

Duncan Ross, University of Glasgow (Duncan.Ross@glasgow.ac.uk)

Thonstad Sandvik, Norwegian University of Science and Technology (paal.sandvik@hf.ntnu.no)

David Sicilia, University of Maryland (dsicilia@umd.edu)

George Smith, New York University (gsmith@stern.nyu.edu)

J. C. Spender, LUSEM/ESADE (jcspender@yahoo.com)

Marc Stern, Bentley University (mstern@bentley.edu)

Espen Storli, Norwegian University of Science and Technology (espen.storli@ntnu.no)

Richard Sylla, New York University (rsylla@stern.nyu.edu)

Lee Vinsel, Harvard University (lee.vinsel@gmail.com)

R. Daniel Wadhwani, University of the Pacific (dwadhwani@pacific.edu)

Felice Whittum, Harvard Business School (fwhittum@hbs.edu)

Julia Yongue, Hosei University (jyongue@attglobal.net)

Conference Schedule

ROOM: CUMNOCK 102, HARVARD BUSINESS SCHOOL

BREAKFAST, 8:00

Session 1: Pedagogies and New Research, 9:00 to 10:30

What are the tools available to teach business history? What are the challenges and opportunities of using textbooks? How can history be effectively taught using cases? What are effective ways to combine different types of teaching materials? What new technologies are available for teaching?

Walter Friedman, Chair
Martin Iversen, Copenhagen Business School
Marcelo Bucheli, University of Illinois at Urbana-Champaign
Susie Pak, St. Johnôs University

Session 2: Course Development and New Research in Emerging Markets, 10:30 to 12:00

This session discusses how to teach the history of emerging markets. What are the challenges and opportunities of teaching this subject? What are new research trends in this area? How can the history of emerging markets be integrated into business history courses everywhere?

Geoffrey Jones, Chair
Carlos Dávila, Universidad de los Andes
Elisabeth Köll, Harvard Business School
Aldo Musacchio, Harvard Business School

LUNCH, 12:00 to 1:00

Session 3: Incorporating Lessons from the History of Capitalism, 1:00 to 2:30

This panel looks at the boundaries between business history and ñhistory.ò In particular, it considers how recent interest in the history of capitalism can benefit the field of business history. What challenges and opportunities has a growing interest in capitalism brought to the field? How can this improve course development in business history?

Walter Friedman, Chair
R. Daniel Wadhwani, University of the Pacific
Stephen Mihm, University of Georgia

Session 4: Course Development & Research in Globalization, Finance, and Leadership, 2:30 to 4:00

This panel will discuss three growing areas of interest in business history. How can history be used to improve the teaching of finance, globalization, and leadership?

Walter Friedman, Chair
Geoffrey Jones, Harvard Business School
Richard Sylla, New York University
Anthony Mayo, Harvard Business School

Session 5: Building Doctoral Programs, 4:00 to 5:30

This panel considers the key ingredients to forming a successful doctoral program in business history. What would be the best training for graduate students? What literatures would they study? What types of questions would they answer? What would make a doctoral program in business history succeed?

Geoffrey Jones, Chair
Edward J. Balleisen, Duke University
William Kirby, Harvard Business School
Caitlin Rosenthal, Harvard University

DINNER, 5:30 to 8:30

Location, Spangler Center Meredith Room

Sessions

Session 1: Pedagogies and New Research

Teaching Business History: Experiences from Copenhagen Business School

Martin Jes Iversen, Centre for Business History, Copenhagen Business School

More than 70 years ago, John Maynard Keynes described the skills a ñmaster economistò must possess: ñHe must understand symbols and speak in words. He must contemplate the particular in terms of the general, and touch abstract and concrete in the same flight of thought. He must study the present in the light of the past for the purposes of the future. No part of manôs nature or his institutions must lie entirely outside his regard.ò According to Keynes, a skilled economist should use the insights of the past as the point of departure for analysis of the present. If business history courses at business schools followed Keynesôs line of thinking, three important implications would follow.

Firstly, a business history course should not be taught for the sake of the past. In other words, we need to change the fundamental curiosity from knowledge about the past towards further understanding of the present. That means a contemporary understanding based upon our knowledge of capitalist development on various analytical levels in different geographical settings over time. For those of us who happen to be skilled historians educated at traditional universities, this is a major challenge. We have probably learned that history is the study of the past in its own right. But that is not the case at a business school. We are not educating historians. It follows that we ð with good reason ð could avoid the word ñhistoryò in our course titles.

Secondly, it implies that business history courses are not the core curriculum of a typical business studies program. Still, business history is an essential ñsupportive discipline,ò as business history should be regarded as a ñmeta-discipline.ò It provides the students with

analytical tools for any other economic discipline concerning understanding of economic changes combined with in-depth empirical knowledge of the development of capitalism.

Thirdly, it follows that the business history course curriculum needs to be dynamic and change in conjunction with the changing present. To provide an example of this point, one of the most successful textbooks on modern capitalism is focused on Great Britain, Germany, the U.S.A., and Japan. Today some of our students ð and with good reason ð could ask why we did not include emerging economies including the BRIC economies in our focus. The global financial crisis after 2008 has in a similar way changed our perspectives the questions we ask, and even, in some cases, our empirical foundation.

This paper thus proposes that instead of developing a new global, but static, textbook we should aim at creating a new web-based, digital platform for business history courses. Such a platform could include four important features:

Firstly, a collection of curricula with commented proposals to the business history lecturers.

Secondly, a collection of relevant business history cases, understood in a broad way, with cases on the macro level in terms of capitalist systems and countries, on the meso-level with various economic organizations and companies, and finally on the micro-level, including critical entrepreneurs and managers.

Thirdly, a collection of broadcasted or streamed keynote speeches, so that we could, for instance, begin any business history course with a keynote address from a world leading professor from one of the top universities.

Finally, the platform should include links to various types of sources including movies, pictures, primary sources, etc.

The setting at CBS. Business history is a rather marginalized research field at European business schools. It is therefore unusual that the field possesses a relatively strong position at CBS, with two full professors, six associate professors, and three Ph.D. students. The sustainability of this milieu depends on the teaching portfolio. Without popular courses, no long-lasting status as a research field. Fortunately, we do possess a number of relevant business history courses ð a few of these being ñclassicò business historical and more of these somehow related to the field.

The perhaps most ñclassicò business historical course, which this presentation is focused upon, is ñThe Company in its Historical and International Setting.ò This is the very first course of the BSc International Business (IB) program, which is the English-language flagship program at CBS, possessing the highest GPA (11.2 in 2011 when number two was medicine at Copenhagen University, 10.8). In the fall of 2012, IB will have 180 students of which approximately 33 percent are non-Danish students (primarily from Germany, Sweden, Norway, and the Baltics).

The course curriculum. ñThe Companyò was introduced as a compulsory course in 1995, when the IB program was founded. In the initial years, the textbook was Alfred Chandlerôs *Scale and Scope: The Dynamics of Industrial Capitalism,* from 1990. The course received acceptable evaluations until around year 2000, when the course gradually got a rather poor reputation among the students.

In 2002, the course was restructured and Thomas McCrawôs book *Creating Modern Capitalism: How Entrepreneurs, Companies, and Countries Triumphed in Three Industrial Revolutions* became the textbook. The students still missed an introduction to the business history of Scandinavia ð in particular, the foreign students expressed an interest in knowing the historical, institutional, and economical setting of CBSôs home region.

The new text book. Our problem was that most business historical teaching material was focused on the U.S., the most important European economies, and Japan. In 2004, business historians from BI in Oslo, Stockholm School of Economics, Helsinki University, and CBS therefore decided to join forces and develop a new business historical textbook. We agreed to follow the structure of Creating Modern Capitalism, hence the title ñCreating Nordic Capitalism: The Business History of a Competitive Periphery,ò including four long country chapters and eight shorter corporate/entrepreneur cases. We also agreed to give the textbook a specific European flavor with a more theoretic discussion in the Introduction, including concepts such as ñbusiness systems,ò ñformative phases,ò ñKondratiev waves,ò and ñVarieties of Capitalism.ò

The use of the new textbook. The textbook was introduced in 2008 and in the following years the course received very high evaluations, peaking in 2009 with a general student evaluation of 4.8 on a 5.0 scale ð the highest course evaluation of the year. From 2005 to 2011, the course has consistently received top evaluations, placing it among the best three courses of the IB program.

As the IB program is focused on International Business and not Scandinavian Business, we decided to supplement the book with chapters from McCrawôs book, Harvard cases, and some more theoretic texts. The advantage of having created our own textbook was partly that we now possessed empirical-based teaching material on the business historical development of CBSôs home region. But perhaps even more important, the textbook ð and the preparation of it ð forced us to consider how we theoretically and analytically could teach business history, including the very important dimension of being able to condense the complexities of comparative perspectives and changes over time.

The theoretic and analytical setting. Our point of departure was to define very clearly the learning objectives ð both for ourselves and for our students. The course is a general introduction to capitalism in its many forms and in its dynamic complexity. After many considerations we ended up with the following four levels of understanding:

- ¶ To describe the most important differences between the capitalist systems in Northern Europe, Southern Europe, North America, South America, and Southeast Asia from 1850 to 2000.
- ¶ To understand the dynamic relationship between capitalist societies, companies, and entrepreneurs over time.
- ¶ To analyze capitalist development through various political, economic, and business historical concepts and theories.
- ¶ To synthesize the development of capitalist societies and the relationship between societies, companies, and entrepreneurs using the relevant theories and concepts of economic change.

The initial learning aim emphasizes the global scope of the course and the comparative perspective of ñknowing the differencesò rather than a traditional historical emphasis of ñknowing the factsò ð one could then add that in order to know critical differences you need to know some facts.

The second learning aim is perhaps the most important, as we aim to provide students with an analytical capability to understand the dynamic relationship between three levels of capitalist systems: the macro-level of regions/nations, the meso-level of companies, and the

micro-level of entrepreneurs. This can only be done through specific concepts and theories ð and in the course we therefore introduce Schumpeterôs thoughts on entrepreneurs and ñcreative responseò to economic changes, Chandlerôs thoughts on the hierarchy and internal dynamics of industrial firms, and finally, on the macro-level, the neoliberal perception of competition in capitalism versus the economic-sociological emphasis on efficient market institutions.

These concepts and theories are only useful in relation to specific research questions based upon the empirical material. For instance: why did the German economy already recover in the 1950s when the British economy declined and how ð or to what extent ð were institutional differences illustrated in the British and German corporate cases?

Conclusion. It has been very helpful to have our own casebook for the purpose of creating a business historical course, which provides the students with empirical knowledge based upon generalizing theories. The students are in fact eager to learn more about change, about the experiences from the past, and the concepts of historic varieties in capitalisms.

The limits for us have been the Nordic geographic scope of the textbook, the inability to mirror changes following the financial crisis, and our own failure in developing business historical course curricula across nations and universities.

Literature:

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Fligstein, Neil: ñMarkets as Politics,ò *American Sociological Review*, vol. 61, no. 4, 1996, pp. 656-673.

Freeman, Chris; Louca, Francisco: *As Time Goes By: From the Industrial Revolutions to the Information Revolution*, Oxford University Press, 2001.

Friedman, Milton: *Capitalism and Freedom*, University of Chicago Press, 1962/2002, pp. 1-36.

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Royal Economic Society: *Essays in Biography, The Collected Writings of John Maynard Keynes*, vol. X, Macmillan Press Ltd, 1972.

Schumpeter, Joseph: ñThe Creative Response in Economic History,ò *Journal of Economic History*, Vol. VII, November 1947, no. 2, pp. 149-159.

Integrating Business History in a Friendly Environment Where No Previous Tradition Existed

Marcelo Bucheli, University of Illinois at Urbana-Champaign

Contrary to other business historians working at business schools, I have been lucky to be at an institution in which the development of a business history course was not received with hostility or skepticism. At the University of Illinois at Urbana-Champaign (where I have been working since 2005), I was given the opportunity to teach a half-semester elective course for the MBAs. So, in this case my challenge was not to convince my colleagues, but to make business history attractive to an audience that was not used to this type of knowledge in an institution where not many faculty members use the case method in their classes.

Before arriving at Illinois, I was trained in the case method at Harvard Business School, where I taught the now defunct ñFoundationsò course. The course used the book *Creating Modern Capitalism* (1997) by Thomas McCraw. The book is divided between country cases and company cases. By the time I taught Foundations at HBS, however, the country cases were already relatively outdated. The company cases, however, are still great to generate discussion among MBAs and introduce them to business history. Therefore, for the MBA elective I offered at Illinois, I chose to use several of the company cases in McCrawôs book, which I combined with some cases currently used in Geoffrey Jonesôs HBS course on ñGlobalization and Entrepreneurshipò in order to give the course a more global perspective.

Teaching the HBS material at a school different from Harvard poses several challenges. The Illinois MBA students have a different profile from their counterparts studying at HBS or other top-five business schools. MBA students of top-five institutions are often members of the global elite before they start their studies and they can understand why they need a global and historical perspective in order to make big decisions. As we are all aware of, this is not the reality in most schools, where the student body has a different profile and, therefore, different expectations about their education. Moreover, while MBAs at places like Stanford, Chicago, or Harvard are extremely aware of the value of networking with their peers at their schools, MBA students at other institutions often see their stay at business school as a necessary step towards earning a degree that might lead them to a promotion or give them better chances in the job market. A number of them are not and do not think of themselves as world leaders or individuals

who are going to make a long-standing difference in their country or at an international level. For these reasons, they might not find the value of taking a course that does not give them some technical skills they can show to potential employers. In addition, although Illinois and other comparable universities have large international student bodies, the majority of the students are from the United States with a large percentage of them with very little international experiences of any kind.

The challenges of having this type of student are the following. First, students who do not belong to the global elite might not feel the need to understand how and why those who ruled the business world at some historical points did what they did. And, second, little emphasis in networking at school led many students to not participate in the discussion or be openly lazy in the classroom.

The material in McCrawôs book and the HBS cases I chose proved to be wonderful to overcome these obstacles. The reasons are: (a) in the first class I give my ñsales pitchò of the course in which I mention how those who want to become real global leaders need to learn to analyze the world with an open mind and think in terms of a global and historical perspective. Students at institutions different from HBS are not used to this type of message, but this makes the most ambitious ones show interest in the subject and participate enthusiastically. This creates a group of people constantly participating, setting the standards of participation. (b) Although the student body of an institution like the University of Illinois at Urbana-Champaign is not as international as in other schools, the cases from ñGlobalization and Entrepreneurshipò I chose encouraged foreign students to participate, leading other students to realize how much they can learn from their peers. And (c) by the second half of the term most students have understood that they need to actively participate in the class. Even in institutions where they are not trained for that, MBA students can quickly understand how this works.

Most cases I chose have led to highly satisfying discussion sessions. For example, the case of Singer in Russia led students to develop comparisons with corporations investing in emerging economies. The cases on multinationals facing sudden changes in the political environment (such as United Fruit Company in Guatemala, Pearson and Son, or Ford in Brazil) permitted students to have a better understanding of current uncertainties faced by multinational corporations in times of growing economic nationalism.

Based on my experience, I advocate to rescue and (hopefully) update the material in McCrawôs book. Most students really loved it. International cases are also needed and enjoyed by students interested in globalization. Many professors at different institutions might face the challenge of how to make students speak. This is a solvable problem if the whole course is structured around discussion. I am aware this is easier for a half-semester course, so maybe a combination with some lectures and other material (invited talks or films) can give the students some breaks to keep them energized and willing to participate.

Bibliography:

Jones, Geoffrey and David Kiron (2008), ñGlobalizing Consumer Durables: Singer Sewing Machine Before 1914.ò Harvard Business School Case 804001-PDF-ENG.

Jones, Geoffrey and Marcelo Bucheli (2005), ñThe Octopus and the Generals: United Fruit Company in Guatemala.ò Harvard Business School Case 805146-PDF-ENG.

Jones, Geoffrey and Lisa Bud-Freirman (2004), ñWeetman Pearson and the Mexican Oil Industry (A).ò Harvard Business School Case 804086-PDF-ENG.

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McCraw, Thomas (ed.) (1998), *Creating Modern Capitalism: How Entrepreneurs, Companies, and Countries Triumphed in Three Industrial Revolutions*. Boston: Harvard Business School Press.

Mapping Technology

Susie J. Pak, Department of History, St. Johnôs University

Long before social networks became popular, business historians, sociologists, and economists were mining the relationships of business communities in search of their underlying patterns. By doing so, they created an empirical foundation to study key questions in the history of business, such as the nature of social mobility in industrializing societies and the rise of the corporate form.[1]

Today, with the advent of unprecedented access to demographic data in digital format, the work involved in studying the networks of business communities has become more challenging, but the methods for analyzing that data have also advanced. This presentation is concerned primarily with the significant developments in mapping technology that are making it possible for business historians to revisit evidence that has long been available but largely unmined. How can the incorporation of visual methods contribute to the teaching of business history?

One rationale for the use of mapping technology is the idea that it can tell stories that cannot be told through traditional methods.[2] The visualization of historical data through mapping technology can be extremely effective for pedagogy and research in a world that is increasingly accustomed to visual and digital information. This is particularly true for our students today,

[1] For a very select list, which does not include government investigations, see: Thomas C. Cochran, *Railroad Leaders, 1845-1890* (New York: Russell & Russell, 1965); Reed M. Powell, *Race, Religion, and the Promotion of the American Executive* (Columbus, Ohio: Ohio State University, 1969); John Ingham, *The Iron Barons: A Social Analysis of an American Urban Elite, 1874-1965* (Westport, CT: Greenwood Press, 1978); Richard D. Alba and Gwen Moore, ñElite Social Circles,ò in Ronald S. Burt and Michael J. Minor, eds., *Applied Network Analysis: A Methodological Introduction* (Beverly Hills: Sage Publications, 1983): 245-261; William G. Roy, ñInstitutional Governance and Social Cohesion: The Internal Organization of the American Capitalist Class, 1886-1905,ò in Donald J. Treiman and Robert V. Robinson, eds., *Research in Social Stratification and Mobility*, Vol. 3 (Greenwich, CT: JAI Press, 1984); Walter A. Friedman and Richard S. Tedlow, ñStatistical Portraits of American Business Elites: A Review Essay,ò *Business History*, vol. 45, no. 4 (October 2003): 89-113.

[2] Edward Segel and Jeffrey Heer, ñNarrative Visualization: Telling Stories with Data,ò October 2010 (http://vis.stanford.edu/files/2010-Narrative-InfoVis.pdf) (July 18, 2012); David Zax, ñVisualizing Historical Data, and the Rise of ódigital Humanities,ôò June 9, 2011 http://www.fastcompany.com/1758538/the-rise-of-digital-humanities (June 15, 2012).

whose personal and academic experiences are intimately tied to visual learning. Not every historical question is going to lend itself to mapping technology or to visualization, but for those projects that are relevant, the effort can enhance the degree of student engagement in the classroom.

Examples of projects. Business historians are already using maps and visualization in the classroom. One example is Geoffrey Jonesôs Global Data Visualization (GDV) project, which forms part of a business history course, Entrepreneurship and Global Capitalism, at Harvard Business School. GDV maps the globalization of business from the nineteenth century to the present and is used as a tool to visually enhance studentsô understanding of globalization as a key theme in the history of business. It includes 37 datasets and covers themes such as political economy, global corporations, and commodities trade.[3]

Another example is Richard Whiteôs work on railroads in the nineteenth-century American West at Stanford Universityôs Spatial History Project.[4] The ñShaping the Westò project at Stanford is an effort to develop ñtools to represent and analyze visually how and to what degree the railroads create new spatial patterns and experiences in the 19th-century American West.ò[5] Through the Spatial History Project, many historical topics are being studied through mapping technology. In addition to Whiteôs West project, they include urban development in Brazil in the 1860s to the 1930s and labor immigration from China to Canada in the interwar period. Archival historical data are as varied as stockholdersô data for private companies, tax registers, or police arrest records.

Using Googlemaps in the classroom. My encounter with mapping technology began with a desire to map the residences of Anglo-American and German-Jewish bankers in New York City before the Second World War. The datasets that I created for the maps were made up of

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[3] Wendy Guan, Amy Cohen, Paul Cote, and Carla Tishler, ñUsing Geographic Information Systems to Transform Teaching and Learningò: (http://media.convergemag.com/documents/Using+Geographic+Information.pptx) (July 18, 2012).

[4] The Spatial History Project, Stanford University (http://www.stanford.edu/group/spatialhistory/cgi-bin/site/page.php?id=1); Richard White, ñWhat is Spatial History?ò February 1, 2010 (http://www.stanford.edu/group/spatialhistory/media/images/publication/what%20is%20spatial%20history%20pub%20020110.pdf) (June 15, 2012).

[5] Quoted in David Zax, ñVisualizing Historical Data, and the Rise of ódigital Humanities,ôò June 9, 2011 http://www.fastcompany.com/1758538/the-rise-of-digital-humanities (June 15, 2012).

New York City addresses from that time. Residential addresses of these bankers were culled from the *Social Register, New York*, the U.S. census, and *Whoôs Who in America*.

Using Google Maps, I mapped where bankers of rival banks lived in New York City before the Second World War. http://maps.google.com/ I was able to use Google Maps, a contemporary online GIS platform, because New York City has a distinct advantage of being a relatively old city with a stable geography. Though it would not be sufficient for publication and it may not be useful for all cities, Google Maps can be very effective as a learning and teaching tool in the classroom. Most of us, including our students, have probably used some kind of internet-based mapping software in our daily lives in order to find directions or addresses.

A Google Maps-type exercise can be easily modified and adapted to the undergraduate or graduate classroom and conducted within one or two class periods depending on the particular dataset and historical question. I organized an exercise that gave students the different addresses of rival bankers. They were required to simply type them into a program like Google Maps and, using the online tools, to place pins to keep track of individual locations. The resulting maps show that Anglo-American and German-Jewish bankers were very socially separate even at a time when they cooperated in large business deals. I used this map to move into a discussion about the relationship between business and society, ethnicity and business in Progressive era America.

Conclusion. Incorporating visual data into the classroom is not without its challenges. There is a certain amount time and effort involved in creating new modules. And if one wanted to learn the professional program used to create maps, such as ArcGIS, it would require more professional development to learn new technology. As the Google Maps exercise also shows, maps also do not stand on their own. They are used to create context for other materials used in the classroom, such as case studies. If our goal, however, is student engagement, visualization enhances learning in the classroom by playing to the strengths of modern students and engaging them in the process of research and discovery. This kind of work also has the advantage of engaging with and incorporating some of the available technology and data that is currently being mined and produced in the dynamic field of business history.

Session 2: Course Development and New Research in Emerging Markets

Course Development and New Research in Emerging Markets

Carlos Dávila, Universidad de los Andes (Colombia)

My remarks are circumscribed to an ñemerging marketsò region (Latin America), where business history is a young and growing field. It has come into its own as a branch of study in the last twenty-five years.

1. How can new research on emerging and non-Western countries be incorporated into business history courses? Over the past two decades, business history has become increasingly ñinternationalized,ò yet with an overriding focus on western industrialized countries. To become truly ñinternational,ò business history must broaden this focus to cover BRIC and other non-western emerging economies. This conference is a welcome initiative in that direction. Prospects for incorporating new research on emerging economies into business history courses must, first of all, take into account a series of considerations: (i) Including such material in courses offered around the world faces one obstacle: for the most part this research only occasionally appears in the disciplineôs core journals at the international level (e.g., BHR, E&S, E&H), but rather in other media. One reason is the scarce incorporation of new theoretical orientations and current debates in the discipline by the regionôs business historians, a situation that is in their power to remedy. One positive development has been the publication in recent years of three special issues on business history in Latin America: one in E&S in 2005, another in 2008 in BHR, and another in E&S in 2009. (ii) The bulk of this research is published mostly in books for national audiences, and in national/regional academic journals. (iii) Although the reasons for this publishing profile are various, the fact is that business history is, for the most part, a monolingual (English) discipline and academic community, whereas Latin American business historiography is written mostly in Spanish and Portuguese. This is a major roadblock to its incorporation into business history courses in industrialized countries.

All this notwithstanding, cooperation between business historians from both industrialized and emerging economies can coalesce around common research interests

channeled through conferences and international comparative projects that may lead to publications in English. Although still scarce, there are positive, recent experiences of Latin American business historiansô presence in international conferences (more in economic history venues than in business history properly) at the time that a few international comparative research projects have been carried out. The recent economic record and positive outlook of Latin America *vis-à-vis* the present global financial crisis perhaps is a juncture that may arouse some interest in the region on the part of colleagues of other latitudes.

2. What new perspectives have emerged from this research that need to be brought into course development? I would mention four perspectives:

(i) *Business groups* as a hybrid organizational form (between firm and market) and business arrangement that is different from, and not inferior to, the large multidivisional enterprise of managerial capitalism. These are not ñnew,ò but neither can they be underestimated as ñpre-modern.ò Their ubiquity, persistence, and continuity suggest that such groups have been a preeminent form of large enterprise in contemporary Latin America, with origins dating back to the last decades of the 19th century and presently becoming globalized. Their adaptability, competitive capabilities, formal and informal bonding and diversification patterns are features of a unique evolutionary path whose scholarly study precludes the dismissal of such groups as crony capitalism or parasitic.

ii) *Entrepreneurial families* as business actors to be studied historically, especially as a reservoir of entrepreneurship, cultural values, knowledge, branding, and social capital. Such families have played a central role in Latin American development in economic, social, and political terms over more than a century. Although many business groups are family-controlled, the point is that the term ñentrepreneurial familiesò is a unit of analysis that is different from, and more encompassing than, either ñfamily firmsò or business groups. The study of entrepreneurial families must discard the prejudice of seeing them as a hindrance, anomaly, or anachronism and move toward a revisionist view.

iii) *Globalizationôs role in the development of capitalism* from a historical perspective that is conducive to portraying the present globalization as a new phase of a process started in the second half of the 19th century. In addition, to view the globalization process as linking economies that have not necessarily followed a common model of capitalist development, i.e., the idea of ñvarieties of capitalism.ò Thus, Latin American historical development is

characterized by, among other things, the important role played by the state, foreign investment, immigration, entrepreneurial families, accumulation in commerce and land, and rent-seeking. All this unfolds amid conditions of perennial institutional instability wherein business-state relations and ability for business actors to perform in ñpoliticized marketsò have been of utmost importance. Within this broad spectrum, new research about direct foreign investment in the first decades of the 20th century in the oil and energy sectors has opened avenues for works offering a revisionist view of imperialism.

iv) *Social entrepreneurship* as a broad, still porous area in need of definition yet dealing with organizational experiences enjoying a long-standing importance in the region since the 19th century, often with philanthropic, charitable origins. It encompasses entrepreneurial activity under hybrid organizational forms ranging from not-for-profit ventures (including financial organizational forms such as those of mutuals and cooperatives) to contemporary ñgreen entrepreneurshipò and ñsocial enterprise,ò including a broad range of experiences variously related to corporate social responsibility (CSR). They cover undertakings in activities creating significant social value, or the production of goods and services with an explicit social purpose.

3. What would a course on the business history of emerging markets look like? Through a variety of reading materials (historical monographs, journal articles, book chapters, pedagogical cases, etc.) and with recourse to participant-centered teaching methodologies, it would address the following questions: Which business systems/models developed in (selected) emerging markets along the different stages of globalization since the mid-19th century? What was the role of the state, entrepreneurs and entrepreneurial families, foreign capital, and immigration in the historical evolution of these systems? To what extent do they illustrate ñvarieties of capitalismò? Which were the challenges and consequences for emerging marketsô entrepreneurshipôs integration into the building of global capitalism? How do the relations between emerging and industrialized markets illustrate the evolving, varied nature and impact of imperialism?

4. How can a dialog be started between historians pursuing traditional business history and those studying emerging markets? By mutually (i) examining the reasons for the absence of emerging economies in the agenda of ñtraditional business historyò; (ii) portraying business history in terms of its links to broader economic development/development of capitalism issues; (iii) intensifying the networking of Latin American scholars with the international business history community; for instance, promoting the organization of specialized sessions about issues

of mutual interest in international conferences of the discipline and facilitating the exchange of faculty members; and (iv) seeking opportunities for bilingual publication (Spanish and English) of Latin American research output.

Comments for a Panel on Course Development and New Research in Emerging Markets

Elisabeth Köll, Harvard Business School

This session discusses how to teach the history of emerging markets. I am writing these comments as a historian trained in modern Chinese history with a strong commitment to fieldwork with Chinese sources. This background influences my comments and explains my focus on Greater China (including Hong Kong and Taiwan) and East Asia.

What are the challenges and opportunities of teaching this subject? There has been a substantial literature on Chinese business history long before ñemerging marketsò became a hot topic, but until the last ten years, most of it has been published and presented outside the general business history field and therefore has not been well integrated in terms of teaching and comparative research outside of the China field. Language issues might account for some of it; the more important issue is the focus on capitalism as an underlying framework for a Western-oriented business history field.

In the case of China, the conceptual use of capitalism to analyze business institutions, practices, and actors is problematic and of only limited use (China economic historians have come to that conclusion in their big debate about the ñsprouts of capitalismò in the 1980s in the wake of Chinaôs opening and first round of economic reforms). Considering levels of industrialization and the existence of capitalist structures as the sole benchmarks for the analysis of Chinese economic and business structures is not a meaningful way to teach the history of Greater China as an emerging market. Reducing systemic differences to purely cultural phenomena is equally insufficient. Here I am not at all arguing against cross-cultural and cross-national historical comparisons and find that discussing Chinese business with references to the Industrial Revolution in the West or Chandlerian models of big business are very useful points of comparison to which the students can relate. However, conceptually, the challenge is to avoid the now faded ñWestern Impact and Chinese Responseò interpretation of modern Chinese history (a vigorous debate which the Chinese history field went through in the 1970s and ô80s) but also to avoid the interpretation of Chinese business and economic development as exceptional. With regard to these two issues, it is very helpful to present the term of ñemerging marketò in a broader geographical and historical context that demonstrates that China and many of East Asian

economies were already emerging markets from the 18th century on (if not earlier) and have a long history of business both in the form of government-sponsored and private entrepreneurship.

It is interesting and not totally surprising that the study of Chinese (and before that, Japanese) business history has become more popular in business schools since the stunning growth trajectory of the post-1992 reforms. However, instead of focusing on the question of ñwhy China is so successful despite its socialist system,ò the renewed interest provides an opportunity to study/teach China as an emerging market and its political and socio-economic framework, emphasizing the strengths and weaknesses that have shaped the development of firms, entrepreneurs, and their relationship with the state as well as business practices on their own terms. The historical approach to business can offer an important contribution to understanding China as an emerging market today by showing how so many institutional, political, and socio-economic phenomena in the present are not rooted in the socialist system but can be traced back to their origins in the 19th century and earlier. Good examples for pre-revolutionary legacies would be the state-business relationship and the emergence of state-owned enterprises, the nature of the legal system, the informal financial system, etc. At the same time, Greater China as an emerging market offers the opportunity to bring globalization into the discussion by dispelling the myth of pre-19th century economic isolation and emphasizing the vital participation of China in trade and exchange with East and Southeast Asia, Inner Asia, and even the U.S. and Europe.

What are new research trends in this area? The focus on regional economies within nation-states in their full global complexity and a greater attention to business studies crossing the 1949 divide are two major recent research trends that impact our interpretation of developments in past and present. We are seeing many more studies of Chinese entrepreneurs, firms, and economic institutions that take their analyses from the historical beginning in pre-revolutionary China to the contemporary period. This enhances our understanding of the survival, demise, or adaptation of business institutions and entrepreneurs across different political regimes and what that means for our understanding of the relationship between state and business and shifts in power. At the same time, many more studies now focus on clusters and regions such as the Pearl River delta or industrial and financial clusters such as Yiwu or Wenzhou, which have gained prominence in todayôs growth economy but again have significant historical roots. In fact, the more flexible geographical and chronological perspective has

allowed us to reinterpret macro regions across different national borders and the trade flows that move in and out of these hubs (for example, infrastructure linking the Pearl river delta and South China to Burma and its natural resources or the cell phone market in Hong Kong and Guangzhou that ties Chinese manufacturers to African traders in a global trade hub). These new perspectives contribute to a better understanding and reinterpretation of global linkages and their future expansion as well as the past integration and activities of overseas Chinese communities and diaspora entrepreneurship across the globe.

How can the history of emerging markets be integrated into business history courses everywhere? I think that emerging markets can be integrated into business history courses if we donôt just categorize them in terms of their ñemerging natureò (and some of them have pretty much emerged) but their historical trajectory as markets with agents in their own right. I think it is also important to give enough attention to the state as a rational economic actor and its interaction with the private sector. Past and present show us that the classification of companies or business institutions as private or public is often complex and ambiguous. I think in this respect Chinese business history, for example, can provide excellent examples for the complexity and strength/weaknesses of family businesses but also show the contractually documented corporate structure of lineages when debating the corporate concept from a comparative perspective. As valuable as case studies are, I think that for a deep engagement, the readings in the course would have to include book chapters and academic articles from the field of Chinese/Asian business, social, political, and economic history that convey the context of emerging markets. The history of firms, industries, and entrepreneurs of emerging markets can be compared side by side with Western counterparts. A comparison that addresses the rationality of economic actors, business institutions, and practices in emerging markets in their specific context across time and space will be most useful for students of business history in general.

Course Development in Doing Business in Emerging Markets: What Can We Learn From Business History?

Aldo Musacchio, Harvard Business School

Opportunity. The world order has changed significantly in the last two decades. The influence of western-style varieties of capitalism has been challenged by new forms of capitalism that rely less on private enterprise and on the enforcement of rigid institutional structures (e.g., laws). This change is to a large extent explained because of the rise of emerging markets to the center stage of global capitalism. Large economies such as Brazil, Russia, India, and China (BRIC) dominate some of the most important commodity markets and are growing and industrializing at a faster pace than any developed country. These trends provide a new set of opportunities for entrepreneurs and investors in the developed world and within emerging markets themselves. My course provides a simple framework to understand globalization in the long run and offers a simple way to identify opportunities in emerging markets. The course deals with both macroeconomics and strategy, focusing on the unique political and institutional context in emerging markets.

Making it relevant: The course has to provide tools students find valuable. For me the most important ingredient to make a course successful is that it should have practical applications. Business students are usually not interested in knowledge for the sake of it. Anything they read and discuss has to give them between one and three takeaways that they can apply in real life, either in decisions they will make for their companies, decisions they will make for their careers, or decisions they will make for their families (e.g., location decisions, ethical decisions related to corruption, etc.).

The second ingredient to make a business course successful is that it should have a framework, a model. Students ought to feel there is some sort of framework they can apply to solve new cases, to solve new riddles. In that way, when you assign them a case about an Indian entrepreneur in 1920 who is facing a challenge to get capital, students wonôt only read it and think about how to solve a problem in that particular context. They should be able to read the case, solve the ñriddle/puzzleò of the case using the framework, and then draw lessons that work in other contexts.

For instance, in my course on emerging markets, I use a very simple framework developed by my colleagues Tarun Khanna and Krishna Palepu in their book *Winning in Emerging Markets.* Their basic idea is that what makes emerging markets different is that entrepreneurs have to face more ñinstitutional voidsò (i.e., market failures). Thus, successful business models in emerging markets are those that see those institutional voids and use their business models to solve them. Yet they have to make sure they are adapting those business models to the economic, political, and cultural reality of each country. For instance, imagine there is no credit bureau or any source of information on borrowers from low income in a country. If that is the case, there are going to be asymmetries of information that will make it hard for banks to get into that market. A smart entrepreneur (local or foreign), could develop a business model that, for instance, lends money not to individuals but to groups of individuals who are jointly liable if any of the borrowers defaults (e.g., this is the microfinance model all around the world); that way, this business wonôt need a formal credit bureau to be successful. Another option is that perhaps a lender should start by lending small amounts and then should track the credit history of borrowers and basically create its own source of information (this is the model of, say, Elektra in Mexico or Casas Bahia in Brazil).

Now, the issue is how to integrate business history to make this a successful course on doing business in emerging markets. How can business history be used with this framework? Think of the case on the House of Tata that my colleague Tarun Khanna wrote. It is a case on the Tata Group that explains why business groups have advantages over stand-alone firms, such as the capacity to substitute an external capital market with an internal capital market (firms within the group subsidizing new spin off companies), the creation of an internal market for talent, or the capacity to develop more lobbying power the bigger the group is, etc. This case can be taught using the institutional voids framework I mentioned above. One can start by asking, ñWhat is the key to success of the Tata Group?ò and after a while, one could stop the discussion and summarize by asking ñWhat makes the Tata Group unique? What differentiates them? What is their comparative advantage?ò Students will start to discuss some issues like ñBusiness groups have the capacity to develop an internal market; they solve labor market failures by developing an internal ñtalentò market by training managers and rotating them among their own firms, etc.ò

This discussion can then be brought back to the framework by asking: ñWhat are the institutional voids that this business model is filling?ò It should be clear that there are capital

market failures in India and that the education system is poor, that they are solving labor market failures, and others. Now, this case can be about the Tata Group in 1960, 1970, or today. It doesnôt matter! It could be about the Matarazzo business group in 1910 (in Brazil) or about an Italian family business group. The point is to link the problems that entrepreneurs in emerging markets faced in the past with a framework that students can apply today.

Now, one of the most important institutional voids in emerging markets is that there is no rule of law. That is, the risk of expropriation is high and, thus, designing strategy that adapts to the political environment in crucial. One way to incorporate a framework on this topic is to think of Haber et al.ôs vertical political integration (VPI), i.e., the idea that sometimes entrepreneurs had to embrace politicians in order to survive in emerging markets (see references below). Obviously today, bribing a politician is prosecuted criminally in the U.S. and the OECD, but that doesnôt mean that entrepreneurs do not have to pay attention to the political landscape. Now it is more important than ever to map who the influential political actors are and then design strategy by incorporating the political economy of the country. For instance, in Chile, companies invite to their boards former politicians from the left who know how to navigate the political environment. In Cuba, a Canadian company has been extremely successful in everything from oil exploration to telecommunications by making sure they help Fidel Castro to get financing for big projects by issuing bonds for Cuba in the companyôs name.

SAMPLE OF TOPICS AND READINGS FOR A COURSE ON GLOBALIZATION AND EMERGING MARKETS

- Globalization: Ups and Downs of Global Integration
  - Kevin H. OôRourke and Jeffrey G. Williamson, *Globalization and History: The Evolution of a Nineteenth-Century Atlantic Economy*. MIT Press, 1999, chapters 1 and 2. (on global cycles and integration in the past)
  - Rajan, Raghuram G. and Luigi Zingales, ñThe Great Reversals: The Politics of Financial Development in the 20th Century.ò *Journal of Financial Economics* 69, 1 (July 2003): 5-50.
- Defining emerging markets and their market failures (institutional voids)

- Tarun Khanna and Krishna G. Palepu, ñSpotting Institutional Voids in Emerging Markets.ò Harvard Business School Note 106-014 or *Winning in Emerging Markets*, Harvard Business School Press, 2010, chapters 1 and 2.
- Strategies that work in emerging markets: Tarun Khanna, Krishna G. Palepu, Richard J. Bullock, ñHouse of Tata: Acquiring a Global Footprint,ò HBS Case 708-446.

¶ Rise of emerging markets as an investment category

- (Institutional void: information asymmetries) Paulo Mauro, Nathan Sussman, Yishay Yafeh, *Emerging Markets and Financial Globalization: Sovereign Bond Spreads in 1870-1913 and today*. Oxford University Press, 2006, chapter 1.
- (Institutional void: information asymmetries) Huw Pill, ñMexico (C): Reform and Crisis,ò HBS Case 797-050.

¶ The rise of state capitalism and its implications for business (institutional void: property rights/monopolies/unfair playing field ð National champions vs. private companies):

Á Pierangelo Toninelli, ñFrom Private to Public to Private Again: A Long-term Perspective on Nationalization,ò *Analise Social* XLIII-4 (2008): 675-692.

Á Aldo Musacchio, ñState Capitalism and State-Owned Enterprise Reform,ò HBS Module Note 712-028.

Á Ian Bremmer, *The End of the Free Market*, Penguin, 2010, chapters 1 and 2.

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Á Andrea Colli, ñCoping with Leviathan. Minority shareholders in State-owned enterprises: Evidence from Italy.ò Forthcoming in *Business History*.

Á Aldo Musacchio and Emil Simeonov Staykov, ñSovereign Wealth Funds: Barbarians at the Gate or White Knights of Globalization?ò Harvard Business School Case 712-022.

¶ Industrial policy in emerging markets: What can history teach us?

- Á Aldo Musacchio, Rafael M. Di Tella, and Jonathan Schlefer, ñThe Korean Model of Shared Growth, 1960-1990,ò Harvard Business School Case 712-052.

¶ Opportunities in commodities

- o For instance using a case to look at opportunities in the past using any of these cases:
  - Á Geoffrey Jones and Felipe Tamega Fernandes, ñThe Guggenheims and Chilean Nitrates,ò HBS case 810-141.
  - Á Geoffrey Jones and Andrea Lluch, ñErnesto Tornquist: Making a Fortune in the Pampas,ò HBS Case No. 807-155).
- o Or exploring the latest commodity boom (say in the last twenty years) using Tarun Khanna, Aldo Musacchio, and Ricardo Reisen de Pinho, ñVale: Global Expansion in the Challenging World of Mining,ò HBS Case 710-054.

¶ Corruption Ą For instance using these Veracity cases on the recent history of prosecution of bribery

- Á (institutional void: property rights, rule of law) Musacchio, Aldo, ñVeracity Worldwide in Syria: Assessing Political Risk in a Volatile Environment,ò Harvard Business School Case 712-009.
- Á Musacchio, Aldo, ñVeracity Worldwide: Evaluating FCPA-Related Risks in West Africa,ò Harvard Business School Case 712-010.

¶ Expropriation risk

- o How to understand expropriation risk?
  - Á Raymond Vernon, *Sovereignty at Bay: The Multinational Spread of U.S. Enterprises* (New York: Basic Books, 1971) OR see, for instance, my case on Vale, which dives into some of the basic literature on expropriation).
- o How to avoid it?
  - Á Marcelo Bucheli and Erica Salvaj, ñEmbrace the Enemy,ò *Harvard Business Review*, May, 2009.
  - Á Haber, Stephen; Armando Razo, and Noel Maurer, *The Politics of Property Rights: Political Instability, Credible Commitments, and*

Economic Growth in Mexico, 1876-1920. Cambridge University Press, 2009. For example, the introduction and chapter 3.

- Aldo Musacchio and Jonathan Schlefer, ñSherritt Goes to Cuba (A): Political Risk in Unchartered Territory,ò HBS Case 711-001. (See also the B and C cases).
- Witold J. Henisz and Bennet A. Zelner, ñThe Hidden Risks in Emerging Markets,ò *Harvard Business Review,* April 2010.

- Nationalism and strategy (how politics can shape strategy)
  - Marcelo Bucheli, *Bananas and Business: The United Fruit Company in Colombia, 1899-2000*. New York: New York University Press, 2005. For instance, chapter 3.

Session 3: Incorporating the Lessons from the History of Capitalism

Incorporating Historical Reasoning in the Core Business School Curriculum

R. Daniel Wadhwani, Eberhardt School of Business, University of the Pacific, Calif.

It seems to me there are two ways to incorporate history into the business school curriculum: through the establishment of elective courses and by the integration of historical reasoning and analysis into core courses across the curriculum. My own approach has been to teach business history as a distinct topic; I have separated my course on business history (entitled ñUnderstanding Capitalismò) from the ñcoreò courses I teach in entrepreneurship and strategy. In my core courses, I may include cases or examples that are ñhistorical,ò but the reasoning and analysis is almost always based on ahistorical constructs and lessons from other disciplines.

In these remarks, however, I want to consider the possibilities held by the alternative approach ð one based on the integration of historical reasoning into the core curriculum. My interest in the alternative route is in part based on the example set by other social scientific disciplines. The influence of economics, organizational sociology, and psychology within business schools has rested in part on their ability to integrate disciplinary constructs into the core curriculum, rather than on the establishment of discipline-based courses. For sociologists, for instance, neo-institutionalism and social networks have served as essential analytical foundations for integrating disciplinary research into courses on management, strategy, organization behavior, and entrepreneurship. Likewise, the success of economics within the business curriculum rests to some extent on the ways in which transaction cost theories and agency theory have been used to explain and teach essential elements of finance, strategy, and management. In turn, these disciplinary constructs ð and the disciplines themselves ð have become a legitimized part of the business school curriculum. Business historyôs more marginal role within business schools, I believe, is partly attributable to the fact that historical reasoning and analysis have not been integrated into teaching core courses in ways that account for the relevance of history for understanding the nature of entrepreneurs, firms, markets, and capitalism.

But, one might protest, does history make claims on analytical and theoretical constructs that shed light on markets, firms, and the nature of capitalism the way economics or sociology or psychology does? I think it does. Since the late nineteenth century, historians of capitalism have repeatedly put forward varying versions of the claim that ñhistorical temporalityò is critical for understanding the choices of economic actors, the development of markets, and the course of capitalism. It is by elaborating on these claims about temporality and applying them to pedagogy that I think business historians may be able to integrate historical reasoning (and not just historical cases) into how business students think.

The historical temporalities of capitalism. Temporality has long been central to the arguments made by historians of capitalism in their dialogue with other disciplines. Since the development of historical schools of thought on economics in the nineteenth century, the contention that ñhistorical timeò shapes the choices of actors in markets has been a persistent theme in histories of capitalism. Historical time has never been merely longitudinal, in the sense of simply incorporating a ñclock variableò against which economic actors are tracked the way certain organizational theories do (Aldrich, 1999). Rather, it has been based on the premise that history is constitutive of the choices economic actors make. More accurately, historians have employed several different constructions of historical time to address different kinds of questions about how temporal context matters in accounting for market behavior.

The classical institutional claim that the choices and behaviors of economic actors vary from place to place and over the course of time based on antecedent developments is the oldest and perhaps best developed variant on historical temporality. Historical time matters because the past ð sometimes the distant past ð shapes the choices and behaviors of economic actors in the present. The claim was central to ñhistorical schools of economicsò in the nineteenth century, a key tenet in the development of historical sociology, the main thrust of postwar ñentrepreneurial historyò (Cole, 1959; Jones & Wadhwani, 2007), pivotal to Annales historiography (Braudel, 1958), and essential to the contemporary institutionalism of North (1990) and others. It has been especially important to comparative business history and historical accounts of the economic success or failure of nations.

Despite its role as the conceptual workhorse of histories of capitalism, however, institutionalism is not the only historical temporality that has been important to the historical position. Contingent time forms a second variant of historicism. The approach posits that

particular events or sequences of actions can have a reordering effect on the structure of markets and the behavior of economic actors, and that the unique value of history is in identifying these disjunctures and the processes involved in the new orders that emerge (Sewell, 2005). Such a conception of historical time was central to the Schumpeterian (1947) claim of the agency of entrepreneurs (especially the claim that creative response ñshapes the whole course of subsequent eventsò) and has been important to those historians of capitalism who have understood economic actors as not captive to institutions but rather as reflective agents capable of responding to patterned historical circumstances (Gerschenron, 1966; Sabel & Zeitlin, 1997). It has also been the temporal construct at work for historians examining the reordering effects of events, such as crises.

More recently, narrativity has formed a third variant of historical temporality in the accounts of some historians. The central contention here is that historical temporality is phenomenological ð an integral part of how people experience the present based on their understandings of the collective past and the range of meaningful choices they see shaping the future (Carr, 1986; Ricouer, 2004). History in this sense is not simply contextual but also constitutive of the experiences, and hence the choices, of economic actors. Though originating in phenomenology, the narrative turn has become increasingly influential for historians seeking to understand the mentality and decision making processes of economic actors based on their own historical outlook rather than on ahistorical psychological premises (Hansen, 2007, 2011).

Pedagogical applications. I catalog these variations not only to argue that historicism has long employed core theoretical constructs about how historical time shapes the behavior of economic actors, but also to suggest that these views of historical time may provide a useful foundation for integrating historical reasoning into the core business curriculum. Much as these constructs have served historians trying to understand capitalism, historical temporalities are valuable and unique conceptual tools for reasoning about questions that are central to the business curriculum: why do managers and entrepreneurs make certain choices, why do particular organizational forms develop, how do firms compete, how are resources marshaled and coordinated, and why do certain markets develop while others languish?

Let me try to draw out the potential pedagogical applications by applying them to the core course on entrepreneurship that I teach. Despite the fact that the modern notion of entrepreneurship owes much to the development of historical reasoning about markets (Jones &

Wadhwani, 2008; Wadhwani 2010), business school classes and teaching materials on the subject are strikingly ahistorical (Wadhwani 2012). While textbooks and cases commonly incorporate research and theory from other disciplines on topics such as creativity, social networks, and principalïagent relationships, I found that only one out of ten leading textbooks on entrepreneurship mentioned the notion of ñcreative destructionò at all, and that one did so only in passing. This is unfortunate not only because it is intellectually narrow, but also because it is shortsighted in practice. Historical temporalities provide prospective entrepreneurs, who by definition need to exercise judgment (Casson, 2010), with ways to reason about the uncertainty, variation, and change that are constitutionally part of the entrepreneurial process.

Historical institutionalism, for instance, helps them recognize and understand the reasons for variations in the type (Baumol, 1990) and form (Casson, 2010) of entrepreneurial activity. Few business students, after all, actually spend time working for the kind of VC-backed startups that take center-stage in entrepreneurship courses. Many more work in countries or industries where different entrepreneurial forms (large firm, nonprofit, public entity) and different types of entrepreneurial opportunities (arbitrage, rent-seeking, services) prevail, and still more transition between industries where practices and forms vary. Being able to understand the origins and organization of these differences in entrepreneurial practice are hence matters of practical significance.

Likewise, the contingent and novel nature of Schumpeterian entrepreneurship (Gerschenkron, 1962, 1966) suggests the value of helping students learn to reason about the conditions under which analogous entrepreneurial opportunities arose and new practices developed. Focusing on the organizing processes of conventional startups provides little insight into questions about how to think about novel entrepreneurial practices and forms ð such open source, crowd sourcing, and the new legal forms that are emerging to accommodate social entrepreneurs. In contrast, understanding the processes surrounding the emergence of the factory or the corporation as productive forms, and the legal, social, and political contests over their legitimization, may provide better insights about the opportunities, risks, and collective effort such emerging practices take. Reasoning by historical analogy can thus help students understand the complex sequence of developments that create change in industries.

And historical narrativity provides insights into thinking about how resources are actually allocated under the conditions of entrepreneurial uncertainty that involve bets on goods and

markets that do not yet exist. Studies of entrepreneurs, angel investors and venture capitalists, for instance, frequently emphasize the importance of heuristics and rules of thumb ð instead of systematic due diligence and analysis ð in how funding decisions are made. Similarly, the development of hot industry sectors and fundable business models emphasizes the extent to which coordinated entrepreneurial action often revolves around the establishment of collectively accepted narratives about the direction of an emerging product market based on patterns of past development (Lounsbury and Glynn, 2001; Downing, 2005). Such collective cognitive developments lend themselves to the kinds of examination that the analysis of historical narrative provides.

Conclusion. I began by admitting that I myself have not followed the approach explored in these remarks, having chosen instead to teach my business history class as a separate elective and organizing my strategy and entrepreneurship courses in conventional ways. The reason I have not chosen this path thus far is because such an integration would be neither easy nor smooth. Not only would such new conceptual material take time to develop and integrate well, it would almost certainly initially fail to meet studentsô expectations of core courses on strategy and entrepreneurship.

Still, business history must make this pedagogical transition if we want our students to integrate historical reasoning in evaluating the business world. Historical reasoning about business and markets, we should remember, emerged as a practical alternative to the abstract theorizing of classical and neoclassical economics. With its insistence on contextualized understanding and its skepticism of ceteris paribus assertions, historical reasoning remains a way of thinking that is closely aligned with practice. Historical temporality seems like it might provide a reasonable framework for integrating the foundations of such reasoning into the curriculum.

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Incorporating Lessons from the History of Capitalism

Stephen Mihm, University of Georgia

I have been tasked today to speak about the ñlessonsò that might be incorporated from something that has become known in the historical profession as the ñhistory of capitalism.ò I was especially encouraged to discuss the ways that this thing ð this ñhistory of capitalismò ð might benefit the field of business history, and, for that matter, history generally.

That I have been given this weighty responsibility has something to do with the fact that I dwell in a history department that has, somewhat improbably, become a hive of activity for scholars who identify themselves as historians of capitalism. There are now five of us, which is rather surprising, frankly. We now constitute a full fifth of the entire history department, and all but one of us are at the beginning of our careers.

We cover a range of topics: technological and commercial innovation on slave plantations; the rise of modern retailers like WalMart; the history of the trucking and supermarkets; the history of money and banking; the rise of commercial agriculture; the history of standardization; the list goes on. Some of these subjects fall within the compass of business history as it has been conventionally defined; others arguably less so. But whatever the focus, there is now a critical mass of people sharing a common set of interests in the history of capitalist institutions, culture, and practices.

I fear that none of this would have happened had we set out to build a cohort of people doing ñbusiness historyò in our department. If there had been a willingness within our department to hire someone who was first and foremost a business historian (and thatôs pretty unlikely, even today) we would have dutifully gone out, hired someone, and crossed that particular subfield off the list of positions we needed to acquire if we wanted to be a full-fledged, full-service history department. But the idea that we would acquire a whole posse of business historians would have prompted a revolt among the faculty.

But the history of capitalism ð the very phrase ð does not provoke this response. It is capacious, inclusive, and frankly, pretty damn vague. The peculiar genius of the phrase ð and Sven Beckert deserves credit for popularizing it ð lies in the fact that it can mean many things to many people. That is generally a good thing, though it could have some unwanted consequences. People who have never attended the Business History Conference ð and perhaps

never will ð will happily declare themselves to be historians of capitalism. Put differently, the history of capitalism is less a field than a commons, a place where scholars and students with a wide range of interests can congregate.

This is not unimportant. Itôs just a phrase, but a rather useful one: the history of capitalism is an intellectual space where historians of entrepreneurship can break bread with leftist historians of labor, and where quantitative economic historians can converse with cultural theorists who have suddenly woken up the fact that institutions are important and markets matter. The history of capitalism brings together those who have always had an interest in the history of business and the economy with those whose fascination with the topic began with the first rumblings of the financial crisis that began five years ago.

In facilitating this bit of détente, the history of capitalism can help reverse trends within the historical profession that began nearly fifty years ago. In the 1960s, the discipline of history began to fragment in ways that proved extremely inhospitable to any kind of big-picture thinking. The ascendency of social history, with its fixation on historical agency and marginal groups, made the study of institutions (corporations, most obviously) and elites (capitalist entrepreneurs, for example) taboo, even if it opened new fields of study.

It did not help that economic history was pushed to the margins of the historical profession at this time, too. Practitioners of the ñnew economic historyò didnôt ply their trade in history programs; they did so in economics departments using the tools of that discipline. But as economic historians became more like economists, economics departments stopped treating economic history as a separate field of study, and abolished economic history requirements for their graduate students. By the 1980s, economics was well on its way to becoming smitten with elegant mathematical models in which economic history had no place.

All these trends filtered down into the classroom. History students ceased to learn about business, entrepreneurship, corporations, or really anything to do with the economies of the past, capitalist or otherwise. They might hear ennobling stories born of social history about resistance to capitalism. But actual capitalists? Not a chance. Likewise, economics students also stopped learning about the past, too, unless they sought out elective courses.

The history of capitalism can help reverse these trends. It can offer an interpretative framework that remedies the fragmentation and entropy that has plagued the historical profession. Take, for example, the so-called ñsurveyò of American history that I am condemned

to teach each year. Read a textbook, and you are faced with the fruits of fifty years of research in social and cultural history: many interesting parts, but no coherent whole.

By contrast, the history of capitalism offers a narrative ð not the only narrative, mind you ð that can knit together these disparate parts into something approaching a coherent whole. American history is the history of capitalism, and anything from colonial settlement to the conflict over slavery to the rise of big business can be subsumed within that narrative. The history of capitalism may just be a phrase, but a useful one: just as it can bring together otherwise unrelated fields of study, it can offer some kind of unifying field theory for the classroom.

That may help explain a paradoxical trend that I have noticed in the past few years. At elite universities like Harvard, the number of history majors has dropped precipitously, registering double-digit declines. Yet enrollment in Sven Beckertôs history of capitalism course has increased dramatically. If anecdotal reports from colleagues at other institutions are any indication, this paradoxical trend seems to be occurring elsewhere, too, as students going to college since the advent of the Great Recession increasingly look for majors that promise some immediate payoff upon graduation.

These sorts of courses are hardly a panacea for the larger crisis in the humanities. But in an era when students are increasingly desirous of taking courses that speak to contemporary concerns ð and deans are increasingly suspicious of giving lifetime employment to people whose work seems utterly divorced from twenty-first century realities, much less other departments and schools in the university ð the history of capitalism may bolster historiansô claims to legitimacy and allow them to make a bid, however modest, for relevance ð and students.

But where, you might reasonably ask, does this leave business history? As I have already intimated, the history of capitalism seems to have a cachet in the historical profession that business history lacks. Always a pragmatist, I would counsel us to think of the history of capitalism as a way to market business history to certain constituencies. It has certainly worked in our department, and I think it could work elsewhere, too.

It may, perhaps, offer a way to market business history to the most obvious constituency of all: business schools. HBS has always been unusual in its willingness to foster the study of business history within the MBA curriculum. Certainly, there are other business schools with

historians on staff, but it is striking the degree to which this is not as pervasive as one might expect or hope.

At the University of Georgia, for example, the Terry College of Business has over 140 faculty members. None of them are historians, with the possible exception of a single libertarian economist bent on privatizing the money supply. There is a presumption at Terry ð and reading some of the advance comments, this is the case in many business schools ð that history has nothing to offer to b-school students on either the undergraduate or graduate level.

I am not certain that marketing business history as the history of capitalism can help entice b-school deans to wake up and smell the historical coffee. But it might. Either way, the time is propitious for expanding the role of history in business school curricula. As we stumble through the fifth year of a never-ending financial crisis, history is the last discipline standing, even as it loses its cachet as an undergraduate major. Economists may continue to trumpet the validity of esoteric mathematical models in predicting the course of future events ð and deride history as insufficiently scientific ð but they lack the legitimacy they once enjoyed.

Business history ð or if you prefer, the history of capitalism ð is not a science. Itôs a way of looking at the world that acknowledges the messiness of human economic activity even as it promises to explain both the recurrent patterns of the past and the unique factors that led up to the present. For b-schools students and students generally, history breeds recognition that the present is nothing more than the leading edge of the past.

It is a humbling experience to recognize that the world did not begin somewhere in the 1990s, as many risk-assessment models used on Wall Street assumed. But if we are ever to extricate ourselves from the current crisis, a bit more humility may be just what the next generation of b-school students ð and perhaps all students ð need.

Session 4: Course Development & Research in Globalization, Finance, and Leadership

Course Development in Globalization and Business History

Geoffrey Jones, Harvard Business School

Opportunity. The history of globalization provides an ideal opportunity to introduce business history material into the teaching curriculum. There are four main reasons.

First, globalization as a subject is already represented in virtually all business schools and history departments, but with one significant gap. In business schools, the role of globalization is present in all the mainstream management disciplines. However, typically, the history of globalization is rarely covered. In history departments, globalization appears in multiple guises, often related to imperialism, but also in topics related to the Great Divergence. Again, typically, the role of firms is rarely mentioned, except occasionally as bad guys treated as ñblack boxes.ò

Second, there is a long-established business history literature in the field which was essentially created by Mira Wilkins from the 1960s, and to which an unusually high number of business historians have contributed, sometimes as their main research agenda and more often as a part of overall research agendas. This literature has been self-identified as the ñhistory of multinationalsò ð and as one consequence tended to be overlooked by the new generation of economists, historians, and political scientists looking at the history of globalization ð but it could and should be seen as the business history of globalization.

Third, globalization provides one way to link up and contextualize a business history literature which is still primarily national in focus. The concept of globalization is sufficiently broad (some might say vacuous) as to permit a wide range of subjects to be discussed under its umbrella ð including financial crises, the impact of American consumer culture, and diaspora. There is great potential to link the subject to debates about the corporate responsibility of business, and to environmental history, though there is a shortage of relevant material. Globalization history is also one of the most convenient tools to integrate the business history of developed and emerging countries.

Fourth, and most importantly, business history has something to say. For business students, the history of globalization provides warnings against a linear view of a world progressively globalizing in an unstoppable way. They can be shown instead a story of shocks, reversals, expropriations, etc. This is important for them to know, but also resonates with current concerns. For history students, firms can be introduced as new actors to a story more often told in terms of policies and governments. This resonates with the renewed interest in the history of capitalism.

Challenges. First, there are many gaps in both research and teaching materials. We know a lot about why firms went multinational, how they organized themselves, and to some extent about political risk. There is also a great deal of historical information on individual firms ñtrappedò in corporate histories, awaiting liberation as teaching material. But there are whole geographies (Africa, much of Latin America) and issues (the environment) with few teaching materials. There are major issues, such as the response of local firms to multinationals, or the role of firms in knowledge diffusion across borders, where the literature, let alone teaching materials, is very limited.

Second, the key to teaching the subject (as others) lies in identifying a framework which makes sense of the subject. This is very difficult, as there isnôt a long-established framework (like Chandlerôs rise of managerial capitalism) or one which can be transferred from other disciplines (varieties of capitalism). Any framework which is used has surely to reach out to broader issues related to globalization rather than focus narrowly on the international growth of firms. It would be interesting at this conference to discuss possible frameworks, and the course development needed to make them possible. There is one certainty: there is no one best way to teach the business history of globalization. Frameworks must, and should, be tailored to local institutional contexts, including existing courses, and the national historical literature.

Entrepreneurship and global capitalism. In 2005, I launched a business history of globalization course at Harvard Business School. It has involved a considerable investment in time, my own but especially of many colleagues here past and present (including Marcelo Bucheli, Elisabeth Köll, Christina Lubinski, Andrea Lluch, Tom Nicholas, Espen Stori, and Dan Wadhwani), many MBA students, and the HBS global research centers around the world. They have all been crucial to developing dedicated teaching materials spanning the period from the

early nineteenth century to the present, and developing the intellectual frameworks needed to teach them.

The development of conceptual frameworks was even more time-consuming, and remains a work in progress. I had published a synthetic textbook on the domain, *Multinationals and Global Capitalism* (2005), but it had to be tailored to the specific HBS context, where students use cases and not textbooks, and are much less interested in ñmultinationalsò than students in Europe. The result is institution-specific, but the underlying approach is probably transferable. In its current rendition (available in the course materials collected for this conference) the course:

- ¶ Organizes the material into 4 time periods ð the first global economy (1850-1929); collapse of first global economy (1929-1979); rebuilding global capitalism (1950-1979); second global economy (1979- present);
- ¶ Identifies the ñentrepreneurò (in the broad sense, not the narrow start-up sense) as the central actor;
- ¶ Links individual cases to big existing concepts in the research literature, including Baumolôs concept of ñproductiveò and ñunproductiveò entrepreneurship and the Great Divergence debate, and to first year HBS courses, especially the first year entrepreneurship (TEM) and leadership and corporate responsibility (LCA) courses;
- ¶ Utilizes a specially-built electronic resource to provide historical macro-economic and political data.

Teaching Financial History

Richard Sylla, Stern School of Business, New York University

At NYU/Stern, financial history happens to be my main area of teaching and research, but it is by no means all we do. Other courses in the MBA program include electives entitled ñEconomic and Business History of the United States,ò and ñMoney and Power,ò the latter launched by Niall Ferguson when he was with us from 2000 to 2004. There are also several versions of ñGlobal Perspectives on Enterprise Systems,ò a course that studies the economic and business histories of successful developed economies and applies the lessons to todayôs emerging market economies. ñGlobal Perspectivesò is a required half course in Sternôs large part-time MBA program, an elective in the full-time program, and a full-course elective in the undergraduate program. An extension called ñAdvanced Global Perspectivesò turns the half course into a full course that devotes much more attention to the emerging markets.

For the ñGlobal Perspectivesò courses, Stern historians created a framework termed ñThe Diamond of Sustainable Growth,ò which has proven useful as well in are other ñhistoryò courses. Our diamond has four corners or ingredients of successful economic and business development: 1) enabling political/governmental systems, 2) effective financial systems, 3) vibrant entrepreneurship, and 4) managerial capabilities.

My financial history course, ñDevelopment of Financial Institutions and Markets,ò is a full-course elective in our MBA programs. Here is the course description:

Course description: ñThe credit crisis and Great Recession of 2007ï09, even the slow recovery we are now experiencing, are not surprising to financial historians. They have studied such events going back four or more centuries. This course studies the historical development of financial institutions and markets, in a comparative international context with emphasis on the U.S.A. Financial development is a major determinant of the distribution of income and wealth between and within countries. The course covers monetary, banking, central banking, and securities market history, as well as pertinent aspects of the history of government finance and the emergence of corporations as a dominant business form.ò

Topics include the emergence of modern financial systems in history, including the roles of public finance and money, banking and central banking, securities and insurance markets, and corporations. We study the composition, growth, fluctuations, and determinants of the money

stock; the development of banking systems and their regulation; payments systems; access to credit; conflicts of interest in financial institutions; the emergence of central banking and its key role in modern financial systems; monetary policies; major trends and fluctuations in stock, bond, and money markets; and, of course, the long history of financial crises.ò

Two broad themes of the course are the historical importance of financial development for economic growth, and proneness of modern financial systems to periodic crises. The former is illustrated by the histories of the Renaissance Italian city states, the Dutch Republic, Great Britain, the U.S.A., and Japan, in each of which economic growth appears to have followed upon earlier ñfinancial revolutionsò that put in place all or most of the key institution of modern financial systems ð strong state finances and public debt markets; stable money; some version of a ñcentralò bank, banking systems, securities markets, and corporations (financial and non-financial). U.S. financial development and financial crises receive detailed analysis.

In part because of NYUôs proximity to Wall Street where many Stern students go on to work, ñDevelopment of Financial Institutions and Marketsò is a popular course. Students read several books, a number of journal articles and book chapters, and a case or two. In recent years the part of the course dealing with the history of financial crises has been of special interest to students, and the coverage of this history has been expanded. A selling point of the course to practical-minded MBAs is that they are likely to encounter financial crises during their careers, and so the more they understand the typical patterns of such crises, the better able they will be to spot them early and protect themselves and their enterprises from the damaging consequences of crises.

The Use of History and Biography to Teach Leadership

Anthony Mayo, Harvard Business School

History can play a significant role in our understanding of the functions of leadership and the role that leaders play in shaping the contextual landscape for business and society. The study of leaders and what they do is fascinating not only to historians and biographers but also to the public at large. According to Simbaôs trade book publishing statistics, biographies and autobiographies were the most popular trade book category in 2011, representing over $1 billion in U.S. sales.

The modern focus on business leaders as icons of public fascination can be traced, in part, to the publication of *Iacocca: An Autobiography* by Lee Iacocca with William Novak. This book, which chronicled Iacoccaôs life in the wake of the rebuilding of Chrysler Corporation, became the best-selling non-fiction book in the United States in 1984 and 1985. While Iacoccaôs book contributed to the plethora of CEO biographies and autobiographies that have since been written, Americaôs fascination with business leaders was evident throughout the century. Over fifty years earlier in 1923, the biography of Cyrus Curtis, founder of *Ladies Home Journal* and the rehabilitator of the *Saturday Evening Post*, became the tenth most popular non-fiction book in the United States (*A Man from Maine* by Edward Bok).

The popularity of biographies and the study of ñgreat business leadersò have done much to contribute to the great man theory of leadership, and the notion that there are certain qualities and characteristics that are inherent in great individuals. Some believe that it is this unique combination of attributes that separates the great from the rest. It is hard not to invoke the question, ñAre leaders born or made?ò when dissecting the great man theory of leadership. The whole trait-based approach to leadership rests on this premise. Though much of the trait-based research has been very difficult to generalize in any meaningful way, there is continued research on various attributes, motivations, and predispositions of business leaders.

The study of history can play an important role in shedding light on the ñborn vs. madeò question by analyzing not only the functions of leadership but also leaders within the context of their times. By understanding the context in which leadership is exercised, we are in a better position to comprehend the ñmaking of a leader.ò Too much emphasis is often placed on the individual leader in a vacuum ð devoid of contextual framing. The perspective of history can

help to fill this void. Legacies are built and sustained based on an individualôs ability to adapt and change as the contextual landscape changes. In essence, leadership is not timeless; it is time dependent.

In our book, *In Their Time: The Greatest Business Leaders of the 20th Century*, Nitin Nohria and I point to the role of contextual intelligence as a means of understanding great business leaders. We discovered that there was a co-evolutionary relationship between the actions of business leaders and the contextual landscape in which they operated; each influenced and shaped the other. The environmental factors that we highlighted ð demographic shifts, technological breakthroughs, government regulations, geopolitical forces, labor movements, and societal norms ð coalesce to create a contextual framework for business and society. Within each decade of the twentieth century, these factors ebbed and flowed, coalescing in unique combinations. A business executiveôs ability to make sense of his or her contextual framework and harness its power often made the difference between success and failure.

Business leaders can influence and shape the context through competitive practices, lobbying, labor policies, and the commercialization of innovation. Business leaders are also shaped by the opportunities that the context presents. Within the same contextual landscape, some leaders envision new enterprises, others see opportunities for greatly expanding the scale and scope of existing businesses, and still others find opportunity through the reinvention or recreation of companies or technologies that were considered stagnant or declining.

The study of leadership within an historical framework formed the basis of the development of the MBA elective course, *Great Business Leaders: The Importance of Contextual Intelligence*. This course combines the study of history, biography, and leadership to paint a fuller portrait of business leadership. Each decade of the 20th century is explored to uncover the salient contextual factors that were at play and how businesses were developed, managed, or transformed to seize the zeitgeist of the times. In addition to case studies, the course includes videos, discussions, and supplemental readings to place leaders within the context of their times. Through the course, students develop their own sense of contextual intelligence and how their decisions/choices are influenced by and influence the contextual landscape in which they live and work. In addition, students analyze their own leadership style and approach through the incorporation of various assessment instruments.

By understanding historical leadership, one can address some vital questions about leadership including: (1) What lessons can we learn from historical leaders; (2) What lessons should we bring forward into modern times; (3) What do we need to unlearn; and (4) Who has benefited from business? In this session, I will discuss the evolution of this course and how we have combined the disciplines of organizational behavior and history to build a stronger and more nuanced understanding about leadership.

Session 5: Building Doctoral Programs

Building a Doctoral Program in Business History

Edward J. Balleisen, Duke University

The Duke History Department does not have a formal dissertation program in business history. There is no regularly offered business history colloquium. Our entering graduate cohorts have not typically included individuals who, on their applications, listed ñbusiness historyò as an anticipated field. Nonetheless, over the past decade, a growing number of graduate students have found themselves attracted to some angle or another on the evolution of modern capitalism, and so have ended up developing a focus in business history, broadly construed. As a result, I have fashioned a *de facto* Ph.D. program in this area. My observations about how to build such a program reflect the last several years of mentoring these Duke graduate students, as well as the perspectives of those individuals, whom I informally surveyed earlier this month. Before sketching my suggestions for how to cultivate a doctoral track in business history, and then offering some thoughts about how the Harvard Business Schoolôs Business History Initiative might make a difference in graduate training, it may be helpful briefly to describe what graduate work in this field has come to look like at Duke.

Business history at Duke. A key point of departure is the breadth of chronological, geographic, methodological, and thematic interests of recent Duke grad students who explore the history of business institutions and the culture of capitalism. Their topics range across four centuries and span much of the globe.[6] Several engage, at least to some extent, with the longstanding debates about evolving organizational structure, technological disruptions, and innovative managerial strategy. A few chiefly seek to recapture social experience and evolving cultural meanings within the business world. Most wrestle with the historical intersections between business and political economy, whether through the lenses of law, politics, or policy. I see these inclinations as reflective of deeper trends in the historical profession and among historically-minded social scientists ð especially a geographic reorientation toward transoceanic and global relationships, and a reengagement with the basic structures and dynamics of economic

[6] See Appendix for a list of these studentsô varied research interests.

power.[7] The pedagogical framework that I have fashioned for these students, very much with their assistance, has some shared elements, but also, in recognition of their divergent intellectual agendas, significant flexibility.

Anyone doing a preliminary field with me on modern business institutions will tackle pivotal readings about the emergence and evolution of the modern industrial corporation, as well as the shifting strategies of corporate management ð that means grappling with Alfred Chandlerôs key works and the broader historical analysis of corporate strategy and structure. But students also explore Chandlerôs critics, as well as the wide range of methodological and interpretive concerns now evident within business history. Thus, they all tackle reading in the history of political economy, technology, economic culture, and the geography of economic networks. In addition, I make sure that they compare the approaches of detailed case studies and biographies to those of overarching narrative syntheses, assess the roots and implications of business failures as well as narratives of improvement and success, and examine the social experiences of capitalism from multiple points of view.

Over the last few years, I have increasingly asked students to develop reading lists that reflect chronological depth and geographic reach. Students who wish to focus on the 20th century in their research should have at least some familiarity with scholarship about business in the 18th century, and *vice versa*; Americanists should have some grasp of business culture and political economy in Western Europe, Japan, and the developing world (as well as earlier imperial peripheries); someone exploring mercantile networks in Asia should be able to recognize similarities and differences with mercantile culture in other regions.

[7] The scholarly literature reflecting and commenting on these trends is now immense. For some recent discussions, see: Greta Krippner, *Capitalizing on Crisis: The Political Origins of the Rise of Finance* (Cambridge, 2011); Jason Colby, *The Business of Empire: United Fruit, Race, and U.S. Expansion in Central America* (Ithaca, 2011); Leon Fink, ed., *The Transnational Turn in Labor History* (New York, 2011); Pauli Kettunen and Klaus Petersen, *Beyond Welfare State Models: Transnational Historical Perspectives on Social Policy* (Cheltenam, 2011); Jürgen Kocka, ñWriting the History of Capitalism,ò First Gerald D. Feldman Memorial Lecture, German Historical Institute (April 29, 2010), available at: http://www.ghi-dc.org/files/publications/bulletin/bu047/bu47_007.pdf (accessed June 16, 2012); Geoffrey Jones, *Multinationals and Global Capitalism: From the Nineteenth to the Twenty-First Century* (Oxford, 2005); William Robinson, *A Theory of Global Capitalism: Production, Class, and State in a Transnational World* (Baltimore, 2004).

Another piece of common pedagogical scaffolding is the experience of TAing for my undergraduate lecture class, American Business History. This intensive course offers a narrative of business history in one pivotal society, alongside introductions to more general conceptual frameworks, and detailed examinations of particular case studies. Since I borrow from business school approaches to pedagogy, grad students get a sense of how to structure a class of sixty around collective engagement with an intellectual problem, rather than the presentation of a formal lecture. The TAs also lead a weekly section and mentor students as they produce research papers, most of which are based on archival holdings in Dukeôs Rubenstein Special Collections Library. This experience gives graduate students a fresh perspective on their own research endeavors, especially the challenges of linking cohesive arguments to clearly defined research agendas and adjusting arguments to fit unexpected research findings.

In addition, I strongly encourage graduate students to pursue study of cognate disciplines that furnish methodological foundations for work in business history and/or the history of economic culture, advice which almost all of my students have followed. At the dissertation stage, I advocate the inclusion of at least one committee member from outside history and one historian with expertise in a different part of the world from the region studied by the student. And I recommend that students begin to participate in the Business History Conference as soon as they embark on dissertation research.

The contours of any given studentôs coursework and field preparation, however, vary considerably, reflecting their particular interests. Reading lists for independent studies and preliminary fields under my supervision shade toward specific regions, eras, methodologies, and thematic arenas. Some students take seminars in economics and economic sociology; others in the Law School and organizational management, or in environmental studies, political science, and public policy; still others in cultural anthropology and religion.

At Duke, moreover, we have a portfolio system that has replaced preliminary examinations, which facilitates field differentiation from student to student. The portfolio encourages PhD candidates to direct their energies toward the sorts of analyses and outputs that historians actually produce, with actual audiences (whether other historians, students, or the broader public). It further enables grad students to tailor its elements (usually a mix of research papers, analytical essays, book reviews, and course syllabi and related teaching materials; sometimes also digital projects or the construction of new forms of historical evidence, such as

oral history interviews) to their discrete intellectual foci.[8] This mode of preparation also provides a mechanism for collaboration. Thus, several years ago, four of my students worked together to produce the outlines of an ambitious undergraduate lecture course on global business culture. Using commodity networks as an organizing principle, their joint course outline ranges across nearly a millennium, and draws on business cultures across the world.[9] Of late, I have also begun to ask students to include in their portfolio at least one short piece that translates historical knowledge for a public audience, such as an op-ed for Stephen Mihmôs ñEchoesò business history blog at Bloomberg News.[10] I am further now encouraging students to think about including the construction of some historical dataset as a portfolio item, ideally produced in collaboration with other aspiring scholars.

What implications, then, might graduate training in business history at Duke have for a department or professional school wishing to create or nurture a doctoral track in this area? My former and current students unanimously like the openness of our program, as well as its expectation of breadth and comparative sensibility. They view the opportunity to do apprenticeship teaching in the field as crucial. Those who have experienced the portfolio system (now in place for the past six years) see it as effectively facilitating their dissertation research and preparing them for the transition to teaching. They universally agree about the importance of interdisciplinary study and the advisability of recruiting students with a diversity of intellectual backgrounds and approaches to the historical study of business enterprise, so that the cohort in residence at any point in time benefits from intellectual cross-fertilization. Those who have chosen to participate in the Business History Conference view it as a vibrant, welcoming, and rewarding scholarly community.

From my perspective, the basic framework for doctoral training in business history that has evolved at Duke has a great deal to recommend it. The individuals who have gone through the program have the research skills to carry out detailed case studies, but also the capacity to

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[8] For a fuller discussion of the Duke History Departmentôs portfolio system, see http://history.duke.edu/graduate/preliminary-exams.

[9] The syllabus is available at: http://www.duke.edu/~ekb6/Hitchhiker's%20Guide%20to%20Globalization%20Syllabus%20%20(collaborative).pdf.

[10] See http://www.bloomberg.com/view/echoes/.

relate their arguments to larger contexts and debates. They think comparatively and can teach a wide range of ambitious courses. And I am hopeful that the newer portfolio assignments will cultivate a capacity to connect historical debates and arguments to contemporary issues, where appropriate. As a result, I see this framework as potentially providing a model for other departments, especially for those at Research 1 universities that do not already have a doctoral track in this area.

Programmatic additions for a new doctoral track. Nonetheless, one can make a strong case for adding some more formal structural elements to a doctoral program in business history and the history of capitalism ð and many of my students did so in the e-mail correspondence we have had on this topic over the last few weeks. (These supplements might be even more important for a new doctoral program housed in a business school, which would expect to bring in regular cohorts of some size.) One obvious addition would be a core graduate seminar in business history/history of capitalism. All of my students agree about the potential value of such a course, and the importance of framing it expansively. They do not, however, necessarily see eye to eye about its content. Some think such a course should lean heavily toward social theory that has proved especially salient for understanding the dynamics of modern capitalism. Others prefer that any such regular offering should, in the words of one individual, ñgo light on the theory and heavy on the data,ò emphasizing ñattention to business as a practice that varies radically across time and space.ò[11]

My own preference for such a seminar would be for a two-semester sequence that leans toward the variety of historical experience. An initial readings seminar would introduce graduate students to crucial methodological approaches and ways of approaching historical puzzles related to the business environment, along the lines that I already stress in the construction of preliminary examination fields. For me, these would include:

- ¶ Chandlerian analyses of organizational structure and strategy, and technological disruption;
- ¶ assessment of the interplay between political economy, law, and the state, on the one hand, and business institutions, on the other, and especially how legal rules constitute complex modern markets and business organizations;

[11] E-mail from Robert Penner, June 19, 2012.

- consideration of how economic culture, whether focused on production, distribution, or consumption, shifts over time in particular societal settings, and what accounts for these shifts;
- analysis of economic networks ð flows of goods, credit, institutions, and ideas ð and how they diffuse across space and jurisdictional boundaries;
- exploration of the dynamics of labor relations and class/gender relations in business contexts;
- investigation of the significance of the environment in business history ð both in terms of environmental consequences and environmental constraints;
- appraisal of business enterpriseôs role in fostering globalization, and the impact of globalization on business (whether in early modern, modern, or more contemporary phases); and
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