Editorial

We would like to welcome you to the next edition of the *Journal of Management History*. Again, we have a series of interesting and thoughtful articles that address some ongoing issues in modern business.

When we think of business "accountability" we invariably think of accountability to shareholders, internal and external stakeholders or simply accountability to the legally dictated norms and procedures required by governments and their agencies. In our opening article in this issue, "Ideals-based Accountability through History: the Case of an Italian Glass-maker's Family Business", we have a very different perspective: one that looks at the ways in which family business is accountable to the ideals and values of its founders. Authored by Eleonaro Masiero (University of Trieste), Giulia Leoni (University of Genoa) and Carlo Bagnoli (Ca' Foscari University of Venice), this fine article explores this issue – one that is undoubtedly key to the operation of most family businesses – by tracing the circumstances of Italy's Barovier and Toso glass-making business. Even leaving aside the novel theoretical issues that this article brings to bear, the circumstances of Barovier and Toso are worthy of historical interest on numerous grounds. In the first instance, the firm – long operating as simply the Barovier-family business – was long counted among the leading glass-makers of Murano, the island in the Venetian lagoon associated with some of the world's finest glass work. Although production was relocated away from Murano at the end of the nineteenth century due to the residential threats posed by the furnaces, the business today continues in operation. Not only, should it be noted, are Barovier and Toso among the world's most respected glass-makers, the firm is also among Italy's oldest, having commenced operations at Murano in 1324 – only 33 years after glass-making commenced on this Venetian island. Reconstituted as a Limited Liability company in 1878, and merging with SAIAR Ferro Toso in the interwar period, it remains a glass-maker of international renown. It is also ranked among the ten oldest family-owned businesses in the world. In exploring the values that have enabled the business to survive and succeed, the authors identify a number of core attributes. An "ideals-based mission", one associated with the highest-quality standards, provided inspiration to generation after generation. "Courageous leadership" grounded in personal and family values enabled the business to maintain a reputation for quality in often difficult circumstances. A "mentoring firm culture" allowed the skills and values to be passed from one generation to another. An "enduring, generous relationship" with stakeholders – most particularly the wider Murano community – provided it with deep social roots. What comes across in this inspiring story is the comparatively minor role played by narrow economic concerns and traditional understandings of "accountability". A product primarily of culture rather than economics, the story of Barovier and Toso – and the theoretical model that the authors bring to bear in explaining its success – is one that has meaning not just for this firm, but for family businesses more generally.

In our second article, "The Growth of Unproductive Labour and the New Crisis of Management: the Case of Australia", Kaylee Boccalatte examines an issue that was long central to economics but then fall into near abeyance: the share of the workforce that is engaged in "unproductive" pursuits that add little if any value to the wealth of either the business in which they are engaged or the society at large. As Boccalatte notes, the distinction between productive and unproductive labor was central to Adam Smith's the *Wealth of Nations*. For Smith, the engagement of domestic servants – one of the largest

Journal of Management History
Vol. 28 No. 3, 2022
pp. 321-324

1751-1348
DOI 10.1108/JMH-06-2022-296

occupations of his time – was a classic example of unproductive labor, causing the wealthy to fritter away their wealth "as if they are led by an invisible hand" [Note: Smith never associated the "invisible hand" with markets]. Similarly, for Karl Marx the concept of unproductive labor was central to his understanding of capitalism. As he noted in *Capital*, "the notion of a productive labourer implies not merely a relation between work and useful effect [. . .] but also a specific, social relation of production [that] [. . .] stamps the labourer as the direct means of creating surplus-value". By this criterion it was not only government employees who were "unproductive". So too were most of those engaged in service roles: servants, bank workers, accountants and the like. For John Stuart Mill as well, a society's wealth depended upon the proportion of the workforce engaged in productive and unproductive pursuits. Although a society might pay all its members for economically "unproductive" pastimes (e.g. record keeping, bureaucratic tasks), the "country" that did so would end up "entirely impoverished". It is this latter concern that underpins Boccalatte's article. As Boccalatte accurately observes, the restrictions imposed by governments during the recent Covid-19 pandemic have only accelerated long-term trends that have witnessed a growth of jobs in the public sector, quasi-public sector employment (i.e. publicly-funded agencies) and private-sector bureaucracies at the expense of private-sector jobs in manufacturing, transport, agriculture and the like. In the United States, Boccalatte notes, the number of workers engaged in the production and transport of goods fell markedly during the pandemic. By contrast, federal and state governments increased the size of their workforces. In Australia, which provides the principal focus of Boccalatte's study, the growth of public and publicly funded employment at the expense of the private sector is even more pronounced. In late 2020, for example, Australia employed 804,000 workers simply for "public administration", a total that easily outnumbered those employed in agriculture (145,000), manufacturing (682,000), hospitality (616,000) and transport and storage (441,000). Even more detrimental, Boccalatte argues, is the impact of Australia's highly regulated employment system. Taking the famed example of workers making pins with which Smith begins the *Wealth of Nations*, Boccalatte observes that no Australian business could today operate according to the principles that Smith describes. Instead, she notes, "we would need – as a minimum – five further workers to be engaged by the firm (in addition to the assumed supervisor) either directly or indirectly to provide assistance and advice in the fields of law, accounting, administration, human resource and work health and safety, to name a few." In Boccalatte's view, such trends not only represent a misallocation of resources. They are also a primary cause of the stagnation in both productivity and real per capita growth that today characterizes virtually every advanced economy.

In our third article, "Path-dependency Theory in Post-Conflict Fiji: the Case of Fiji", a much-discussed theoretical framework, path dependency, is brought to bear on a country that has attracted little attention among management historians: the Pacific island nation of Fiji. A popular tourist destination, Fiji – located 4,450 miles southwest of Honolulu and 1,770 miles north of New Zealand – is typically seen as a laid-back society of sunshine, beaches and tropical lagoons. However, as noted by the authors of this insightful article – Patricia Loga (Massey University, New Zealand), Andrew Cardow (Massey University, New Zealand) and Andy Asquith (Curtin University, Australia) – this benign image is hardly reflective of Fiji's troubled past. Since 1987, Fiji has experienced three coups, two undertaken by the military and the third associated with violent civil unrest. Destabilizing at many different levels, the roots of Fiji's ongoing problems are explained in this article by path-dependency. As most readers would understand, path-dependency theory indicates that once an initial series of choices in a particular direction are made it becomes difficult to move in an alternative direction. One finds oneself, instead, bound by the implications and consequences of one's initial choices. In the case of Fiji and its system of political governance, the authors suggest, the key initial choices were those made by the British government during the colonial era. Two choices, in particular, had profound long-term consequences. Firstly, until independence in 1970, Britain ruled the country indirectly in ways that preserved traditional Fiji society and its system of tribal chiefs. Secondly, Britain encouraged the development of a large-scale commercial sugar industry, importing large numbers of workers from India to labor in the plantations. By the time of independence, the study notes, ethnic Fijians represented only 42% of the population. Indo-Fijians were a majority. The long-term consequence was a society divided. In both the colonial and post-colonial era, the Indo-Fiji population were largely marginalized in a system designed to protect the interests of Fiji's traditional hierarchical society. Socially, as the authors observe, "Fijians and Indo-Fijians [. . .] lived in separate societies". When independence came, as the authors quaintly put it, this presented "some difficult constitutional problems". In "resolving" these problems, Britain deferred any concrete solution, theoretically leaving a proper resolution to post-independence governments. In doing so, however, it did so in ways that ensured a continuation of historic patterns of power. Most seats in the pre-independence parliament that continued to exercise power after independence were determined by votes in a "communal roll" that favoured native Fijians, rather than a "common roll" that would have favored Indo-Fijians. A "solution" that cemented ethnic divides, Fiji is still living with its consequences.

The relationship between industrial development and government intervention has provided much grist for the debate mill as several of the previous articles have highlighted. While the notion of complete central planning has been defeated, the extent to which economies should be managed, remains a matter of deep philosophical and political argument. The recent experience with COVID has merely intensified these arguments. Murat Ali Yülek and Betul Gür provide an interesting example supporting the government's role in industrialization. In fact, they join in a much larger literature on the nature of economic development and growth, which has grown as various countries economic development appears limited. In particular, Yülek and Gür contribute to this literature by examining Turkey, which as a defeated nation in World War 1 and bridging both East and West, seems like an excellent case study.

Traditional histories on the development state often examine Japan. Such a focus makes sense as Japan rapidly industrialized, developed an empire, challenged the western order, lost an empire and then challenged western countries for dominance. However, examining one country can lead to myopia. In this case, the authors extend this literature by considering a different country than an East Asian country – Turkey. One of the particularly important arguments of the paper is the role of the central bank, Sümerbank, in aiding and guiding nascent industrial performance. From a microhistory standpoint, the authors consideration of "dual goals of establishment of industrial plants in different underdeveloped towns as agents of regional industrialization as well as social engineering aiming at modernizing (and westernizing) the society" is a notable accomplishment. This is a key point: indicating a crucial role for government intervention.

One of the most pertinent debates in contemporary management literature regards the divide between research and practice. Certainly, there are several scholars, such as Jeffrey Pfeffer, who have attempted to bridge this divide and provide managers with scientifically sound evidence from management research. The question is: has the divide between management research and practice been bridged? The answer to this question, at least according to Wood and coauthors, is that it has not. Thomas Wood, Renato Souza and Miguel Caldas provide evidence from a citation analysis that demonstrates that there is a strong convergence on what needs to be done, but little agreement on how it should be done. This divergence means that despite all efforts, including the launching of new journals, the bridge between practice and research has been remedied. This lack of a solution is devastating – especially in this era when AACSB and other stakeholders are demanding results. In fact, in this era of budget cuts and other potential crises in higher education, management scholars must be more acute to the problems presented by this divide.

We found this paper to be highly compelling. In fact, it reflects both debates in this journal, but also the debates of historical importance in management history. In fact, Elton Mayo, whatever his merits as a scholar, proclaimed in 1945 that little was known about the nature of cooperation, a point that was exemplified by the workplace strikes from 1944 to 1946. One issue we wish we could debate with the authors: has the academy ever had much impact on management practice? Certainly, management thinkers such as Frederick Winslow Taylor and his followers have played a key role in management practice. But, (alas!), they were outside the academy – often these historical players developed their ideas as consultants or practitioners. Whatever the case, we do agree with Wood and coauthors that institutional pressures (accreditors and others) are making this issue worse.

Somewhat on a different tack, but, in some ways a response, to the practice/research divide is Ebina Justin M.A. and Manu Melwin Joy's paper on performance management. This topic is one of the most important elements of management practice and research, as a great many decisions (compensation, promotion and training) require evidence of performance. In fact, one of the prime (and perhaps the most important) duties of managers is the ability to get workers to perform, a task made all the more difficult due to information limitations and differences in worker motivation. Their response to the management research and practice divide is interesting; research suffers not because of academics, but because of actual management practice. They note that "because of the inefficient design and execution of a PM system, the academic literature on the issue has suffered from a shortage of research to cover current practices, and a practical application of PM system has not achieved its intended outcome."

From a practice standpoint, Justin and Joy highlight the importance of trust and incentives; "what gets measured and given feedback gets improved." This statement actually highlights the need for research. Namely, the development of valid and reliable measures has led to the percentage of PM systems that fail to decrease. Furthermore, when top management takes a lead, trust in the system is improved, a point that scholars have theorized about. Therefore, one could conclude, that research has taken a lead on this issue. In fact, we could conclude that given the shift from performance appraisal to performance management those scholars of various stripes (practical, theoretical and empirical) have led to a change in practice.

A common theme of each of these articles is the extent to which we should listen to experts, grant control to bureaucrats or to trust the wisdom of markets. This argument mirrors our upcoming special issue on entrepreneurship – which places its faith in the wisdom of markets and the willingness of certain individuals to challenge outmoded nostrums. As we are completing the COVID-19 crisis, we are entering into a period where there is considerable debate between planning versus innovation, we need to consider the lessons of the past very carefully.

Jeff Muldoon
School of Business, Emporia State University, Emporia, Kansas, USA, and
Bradley Bowden
Employment Relations and Human Resource Management, Griffith University, Brisbane, Australia and Institute of Public Affairs Australia, Melbourne, Australia