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Can Business History and Anthropology Learn from Each Other?

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Let's admit it up front: we are business historians and no experts on business anthropology at all. However, reading through some of the scholarly literature on business anthropology, we have come to believe that there are certain similarities in intellectual concerns and practices between it and our own field of business history.

Some of these similarities reflect common origins and longstanding concerns of the two disciplines. Historians, like anthropologists, are fundamentally concerned with context and with idiographic understanding, and complain incessantly about how simplified and stylized versions of history and culture appear in the nomothetic approaches that predominate in other business disciplines. But this sense of similarity has also grown as business history itself has evolved to embrace cultural – one might even say anthropological – interpretations of the history of enterprise.

In a way, business history and business anthropology may seem an odd couple to compare because, until recently, few would have seen any meaningful relationship between the two whatsoever. Business history, as it was practiced for most of the 20th century, had little interest in anthropology and a very one-dimensional view of culture, while anthropology, on the other hand, did not see business as an object of study until the late twentieth century.

Nevertheless, we believe that today business historians and business anthropologists actually have something to offer each other as well as other fields within organizational, business and management research. In this essay we first briefly describe the development of the field of business history in the 20th century and why the moment might be right for a meaningful exchange with business anthropology. Then we proceed to discuss three issues that we think are important for both business history and business anthropology and from which the disciplines might have something to learn from each other: the uses-of-history approach, contextualization and empirical material.

Business history as a field

Like all other academic fields and disciplines, business historians have spent a great deal of time figuring out exactly "what is business history." It
is, of course, like shooting at a moving target, since the field, like most others, has developed significantly over time with respect to topics, research questions and analytical strategies.

As an institutionalized field, business history came of age, perhaps, before World War II when Harvard Business School began publishing the *Bulletin of the Business Historical Society* in 1926. The interest in the history of business, however, had earlier origins in nineteenth-century historical schools of economics that viewed historical studies of enterprise and entrepreneurs as an important counterweight to classical and neo-classical economics’ highly theorized and equilibrium-oriented views of markets.

In history, these scholars saw the opportunity to emphasize instead the agency of actors, the importance of mind and will in economic processes, and a capitalist economy fundamentally characterized by disruption and change rather than equilibrium. It was, in fact, this sense that history was fundamentally practical, in dealing with “real” contexts and real people in the economic world, as opposed to the abstract and highly theorized nature of economics that shaped its early establishment as a discipline in a few business schools.

In the postwar period, the discipline was particularly shaped by Schumpeterian ideas about entrepreneurs and entrepreneurship, which itself was deeply indebted to the nineteenth-century historicist tradition. Schumpeter called for and briefly inspired a wave of cross-disciplinary research that sought to examine entrepreneurship and its role in economic change and development (Wadhwani 2010).

Beginning in the 1960s, however, the focus of the field shifted in two ways. One was that it became increasingly focused on economic explanations and economic methods, particularly with the rise of the new economic history. The other, ultimately more influential development for the field, was that this focus shifted from understanding of entrepreneurial actors and their contexts to the organization of big business – primarily driven by Alfred D. Chandler and his work on *Strategy and Structure* (Chandler Jr. 1962), *The Visible Hand* (Chandler Jr. 1977), and *Scale and Scope* (Chandler Jr. 1990). As a result, business history became increasingly focused on structure rather than individuals.

It was with Chandler’s work that business history for the first time became recognized outside of the small group of practitioners. The reason was that the consulting firm McKinsey & Company discovered Chandler’s *Strategy and Structure* and decided to use it as a manual for consulting with big business in North America and Europe. Thus, probably for the first time ever, business history was used in a normative way to prescribe solutions to companies’ strategic challenges. Not surprisingly, this increased the status of business history in business schools, but also reinforced its narrow focus on the strategy and structure of large firms.
From the 1960s to the 1980s – or even the 1990s – business history could not have been further away from anthropology. If anything, most business historians at the time got their inspiration from functionalist transaction cost economics by Ronald Coase (Coase 1937) and Oliver Williamson (Williamson 1985). Most business historians subscribed to the basic, realist assumptions of neo-classical economics about rational, atomistic, utility-optimizing individuals – even with a dose of skepticism due to the messiness of business life, as shown by the empirical material.

During these years, the rift between business history and mainstream history grew, with little intellectual or methodological exchange between them. Thus, business history was little affected by the development of the new social history or the new cultural history. It also continued to subscribe to an objectivist view of the nature of firms and enterprise. The linguistic turn and Hayden White’s work on *Meta-history* (White 1973) and narratives almost completely bypassed business historians without its being noticed, as did the growing use of ethnographic methods by historians.

However, during the 1990s something began to happen, and it could be argued that it was the so-called “cultural turn,” with inspiration from semiotics and anthropology, that set things in motion. Part of this development came from the history discipline where cultural history and the related approaches became quite widespread during the 1980s and 1990s. Another part of the inspiration came from organizational scholars, especially from critical studies, who began taking an interest in historical perspectives on organizations (Rowlinson and Procter 1999, Rowlinson and Delahaye 2009).

It could, perhaps, be argued that the ground was fertile for a cultural turn in business history because quite a few business historians had been inspired by Douglass North’s work in New Institutional Economics (North 1990, North 2005). While North’s approach to NIE initially mostly led to analyses of the role of formal institutions, his own increasing emphasis on informal institutions and mental constructs and mindsets might have paved the way for a more intense focus on culture, norms, materiality and practices in business history.

While the inspiration from anthropology should not be overemphasized, there is no doubt that Clifford Geertz’ *The Interpretation of Cultures* (Geertz 1973) – with its focus on thick description, meaning construction and a search for understanding rather than generalization – became an important, and sometimes the only, work of reference for cultural approaches in history. The attention paid to Geertz was not least mediated by the micro-historical approach made popular by Nathalie Zemon Davis’ (Davis 1983, Davis 1987) and Carlo Ginzburg’s (Ginzburg 1980) pathbreaking studies.

The move towards cultural approaches in business history should not be overstated, however. In the *Oxford Handbook of Business History*
published in 2008 the section on “approaches and debates” has chapters on “Business history and history,” “Economic theory and business history,” “Business history and economic development,” “Business history and management studies,” “The historical alternatives approach,” and “Globalization,” while any hint of cultural thinking is relegated to the very last chapter – 25 – “Business culture” (Jones and Zeitlin 2007). Likewise, in the chapter on “Business history and management studies,” there is a section on “Stuck elsewhere: Business history between history and economics,” but culture is mentioned only very briefly and anthropology not at all (Kipping and Üsdiken 2007).

Still, there is a realization among a growing sub-group of business historians that economics alone, and functionalist social science more generally, cannot deliver if one wants to understand the actions and worldviews of historical actors. If one wants to understand how and why historical actors made and gave sense to their world, and how and why formal and informal institutions developed and changed the way they did, business historians have to search for the construction of meaning and to understand the practices of historical actors. This search necessarily must go beyond the generalizing ambitions of economics, and focus on the specificity of time and space – in other words context, one of the issues we discuss briefly below (Bucheli and Wadhani 2014).

Thus, some business historians have begun publishing articles and books that are at least to a certain degree inspired by an idea of the world – including the past – as basically culturally constituted. Business historians who are following these ideas are increasingly moving away from the traditional realist version of business history and are taking up narrative approaches that include the uses of history in and by organizations, actors and societies. These ideas on narratives and the uses of history are especially being pursued and developed at the Center for Business History at the Copenhagen Business School with which we are both affiliated (Hansen 2006, Hansen 2007, Mordhorst 2008, Hansen 2012, Hansen 2012, Mordhorst 2014).

We thus find ourselves at a moment in the evolution of the discipline when we think we may have a lot to learn from (and perhaps also to offer to) business anthropology. In the remainder of this essay, we briefly consider the three issues along which such an exchange could be productively organized: the uses of history approach, contextualization, and empirical material.

**The uses of history approach**

Historians and anthropologists alike agree that history matters. However, more often than not, this agreement is based on different visions of what is meant by history and how exactly it matters. For the anthropologist history matters as “living history,” that is how historical narratives and
rituals impact the lives of living agents in, say, an organization (Bate 1997). Traditionally, historians think – for obvious reasons – that history matters in and by itself; we write history on the premise that it is important to understand the origins and evolution of the present. However, for some business historians the turn toward culture has created an area of potential common ground with anthropologists in the newly emerging interest in the "uses of history."

In a uses-of-history approach, history – not the past, but narratives about the past – is seen as a way in which the human actors we study make sense of and give sense to their world. As far as we understand it, this is what anthropologists mean when they refer to "living history," and it seems to us that it most often indicates an unconscious use of history. However, actors and organizations often use history consciously in order to achieve certain objectives. When analyzing uses of history we therefore find it useful for analytical purposes to distinguish between phenomenological and instrumental uses of history.

Instrumental uses refer to the conscious use of history to achieve for instance strategic goals, while phenomenological uses of history refers to the deep embeddedness of all historical actors in historical narratives they cannot get out of. Actors can, so to speak, become trapped in their own historical narrative, and it is only by using history instrumentally and consciously that they can become aware of this entrapment and re-story their organization in order to affect change. The Danish novelist Martin A. Hansen once said: “tradition is the fateful shape of history when it is not studied.” The quote illustrates how an organization or a person can become trapped in its own historical narrative, in tradition.

Business historians have begun to examine the uses of history because it is both a potential enabler and a constraint on the perceptions, choices and actions of actors. Thus, historical narratives and sites of memory and identity create both remembering and oblivion, and path dependence that can be a strength for an organization under stable conditions when everything is going well, while it can turn into an obstacle to change when needed, due, for instance, to external pressure. In our own work we have found the “uses of history” line of thinking helpful in order to explain and understand how historical narratives shape organizations’ and actors’ choices (Hansen 2006, Hansen 2007, Mordhorst 2008, Khaire and Wadhwani 2010, Hansen 2012, Schwarzkopf 2012, Bucheli and Wadhwani 2014, Mordhorst 2014) (Linde 2009).

It strikes us that the "uses of history" approach could emerge as an important area of common interest for anthropologists and historians. The anthropological studies we have read have a deep understanding of how history, in the phenomenological sense described above, influences the way people make sense of their world and therefore how they act. From our perspective history comes to us in the shape of historical narratives and it is an important point that neither societies, nor
organizations exist outside history. History is always with us in our ideas, perceptions and practices, and from our perspective a particularly promising field of future research lies in exploring when and how organizations use history consciously and instrumentally to achieve strategic or other goals, and to exercise and legitimize power.

**Contextualization**

Context is another area where the anthropologist and the historian have a shared view or concern. Context is important, we claim, because of the specificity of both anthropological and historical arguments. As idiographic disciplines the aim is not to present generalizations but to get a deep understanding of the subject that we analyze. As such, time and space are not abstractions but quite the opposite, they are crucial for understanding the actors and institutions that we examine.

Although any historian and anthropologist would instantly agree on the importance of context, things tend to get complicated when figuring out how to deal with it. Contextualization is not taught in historical method courses in history department, and it is our sense that historians and anthropologists treat context quite differently. Thus, there may be lessons for both fields in discussing the ways we contextualize.

It is our impression that most historians tend to look at context as structures and institutional frameworks conditioned by historical development – as something almost outside of the actors' world. Anthropologists, on the other hand, tend to see context as something that is constituted by the actors themselves as they go about living their lives. It is an open question which approach is the most fruitful, but there is no doubt that the question itself merits further discussion.

We see the problem of contextualization as in fact involving two related issues, each of which deserves both more reflection and constitutes shared challenges of research for historians and anthropologists. The first of these is the question of how actors make sense of their context. Insisting that actors and actions need to be understood in specific times and places inherently raises the question of how the actors themselves thought of their “place” and their “time.” On this issue, we think our fellow historians could learn much from ethnographic approaches in understanding context more critically.

The second contextualization issue is the question of the contexts in which we choose to place our subjects. Historians and anthropologists do not and cannot just recount our subjects in their own contexts. For historians, this contextual decision is closely tied to how we periodize our subjects, particularly the assumptions we make about the relationship between our own period and that of the actors we study. In this regard, we think anthropologists may usefully borrow from historians in understanding how temporal boundaries, like cultural ones, operate in
defining the contexts in which we place our subjects (Bucheli and Wadhwani 2014).

Any discussion of context, of course, also raises the question of the texts on which we base our interpretations. It is to the empirical bases of our disciplines that we turn next.

**Empirical material**

While historians and anthropologists tend to share some basic assumptions that history and context matter, one longstanding difference arises in the types of empirical materials we tend to prefer in examining how these things matter. While both disciplines are strongly empirically oriented, historians mostly rely on documents while anthropologists seem to us to use interviews and observation as their empirical foundation. Historians are usually skeptical of interviews – oral history – because we prefer empirical material created in the time we study.

In this sense, historians have much to learn from anthropologists in the critical use of non-written empirical material. As historians’ interest in the “uses of history” by actors grows, we will need to confront the question of the many forms that these uses take, and in this sense anthropological sources and methods certainly provide one way forward.

But historians also have much to offer anthropologists when it comes to the creative uses of written documents in research. While historical research sometimes continues to be inhibited by what Ludmilla Jordanova (Jordanova 2000) has aptly called “the cult of the archive,” the evolution of history as a discipline has in fact been characterized by a dynamic expansion in the range of sources historians use and genuine creativity in their analysis and interpretation.

History, as a discipline, has expanded well beyond its original practices of examining official political documents to embrace a wide range of sources for what they can tell us about the social and cultural lives of the subjects of study. Even more importantly, historical practices of interpreting these sources have evolved in ways that allow reading sources “against the grain” and in taking into account the voices of those other than the powerful.

As business historians and anthropologists delve more deeply into the uses of history by actors and into the questions of context, an engagement with these practices could prove particularly fruitful.

**Conclusion**

In this brief essay we have tried to raise a few questions about where business history and business anthropology have a shared interest. To a certain degree, both fields exist on the margins of the social sciences in
business schools, but we feel very strongly that we both have much more to say than what is recognized by mainstream business school disciplines.

If business anthropology and business history are to increase our influence in the world of business education and research, one obvious starting point may be to engage in a fruitful conversation between our two fields. We hope that this essay will contribute in a small way to that conversation.

References


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