

A Return to the Past: History and Organization Studies

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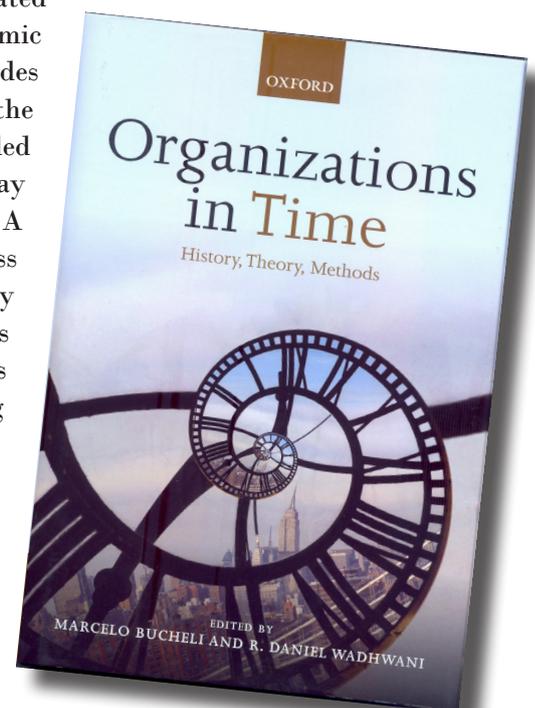
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During the booming years of the late 1990s, when the NASDAQ index could increase its value by several percentage points in a single day, management consultants charged grotesque fees for giving power point presentations stating the obvious, and pundits praised a “new economy” in which companies that made no profits were great places to invest, very few dared to spoil the party by asking questions such as “How did we get here?”, “What does the past teach us about these types of booms?” or “When will this end?”. The concerns of a few academics in economics, business, or history had less appeal than news of young entrepreneurs becoming billionaires after creating another dot-com. “This time is different!” many said, repeatedly brushing off words of warning. As Carmen Reinhardt and Kenneth Rogoff (2006) have shown, people preferred to think this time was different before facing a new crisis that followed a similar script but with new actors and scenarios.

Although the crisis that followed led to some introspection on how the U.S. economy had fallen into the trap of what former American Federal Reserve Chairman Alan Greenspan called “irrational exuberance”, no recent event has generated more questions and criticisms on the ways the business and economic environment had been analyzed than the 2008 financial crisis. Besides heated debates in the media and political discourse on the role of the government in the economy and business ethics, the crisis also led many scholars in business and economics to openly question the way research and teaching had been conducted in the preceding decades. A recurrent theme in this self-criticism was the lack of attention business and economics scholars had paid to historically informed research. By neglecting to look back in history, the argument went, both scholars and business people had developed inaccurate and unreflective analyses that did not allow them to foresee the crisis the economy was heading towards. Following the crisis the main business and management academic meetings in the United States called on their members to engage in more historically informed studies, calls that were also echoed in the popular media (Bruner & Poojara, 2013; *The New York Times*, 2013). As a result, by 2013 everyone seemed to agree with the apparently new but vague statement that “history matters”.



General acceptance of the usefulness and importance of history in business research can prove a short-lived fad (easily forgotten when there is a sustained economic recovery) if some important steps are not taken in order to make historical analysis theoretically relevant for the questions asked by management and organization scholars. Similarly, there must be a clear understanding by management and organization scholars of how historical analysis should be conducted in order to put it at the same level of rigor as any other mainstream approach. Some business scholars have already developed initiatives towards these ends. For instance, some recently created journals such as *Management and Organizational History* and the *Journal of Management History* have opened a space for academics conducting historically informed research relevant for management and organization scholarship, joining other already established outlets such as *Industrial and Corporate Change*. These journals differ from the more history scholarship-oriented journals, such as *Business History*, *Business History Review*, *Entreprises et Histoire*, and *Enterprise and Society*, that helped to develop the field of business history. Additionally, mainstream journals such as *Journal of Management Studies* and *Academy of Management Review* have organized special issues focused on historically informed research or historical methods (2009 and 2014 respectively). A widely cited article published in *Journal of International Business Studies* shows explicitly how international business scholars can benefit from re-integrating history into their research (Jones & Khanna, 2006). Despite the undeniable importance of these efforts, some challenges remain. In this essay we discuss the main obstacles to successfully integrating historical research in business scholarship and existing proposals the authors have worked on in conjunction with other scholars in order to overcome them.

Legitimacy Problems

Following the pattern of development described by neo-institutional theorists (DiMaggio & Powell, 1983), the practices of business schools and business scholars have become increasingly isomorphic over the previous two decades, slowly coming to resemble one another. Certain leading business schools defined a particular set of standards other schools followed. With time, the legitimization of business schools was determined by their adherence to these standards established by the leading organizations (e.g. top business schools). As a result, tenure requirements became increasingly similar across institutions. “Neutral” legitimating institutions such as the *Financial Times* or the ISI index narrowly defined the list of academic journals considered acceptable for scholarly production, which in turn strongly determined not only research questions, but also methodology and even writing style. This process of isomorphism has had more dramatic effects outside the United States, where scholars used to particular outlets (such as books or domestic journals) have been increasingly pressured to publish in English and in ISI indexed or *Financial Times* list journals, something which obviously constitutes an enormous effort (and not necessarily an efficient one) for advanced career scholars. In their quest for legitimization through their inclusion in international rankings and accreditation (both partially measured by publications in the accepted list of journals), business schools outside the English-speaking world have been willing to sacrifice decades of domestic scholarly tradition and follow the path opened by the leading organizations in the United States in order to legitimize themselves.

What are the consequences of this academic isomorphism in historical research? Most publications included in the top list of the ISI index or in the *Financial Times* have followed their own process of search of legitimization by the scientific community by encouraging articles that use highly sophisticated quantitative analytical tools (mainly borrowed from economics) and discouraging alternative qualitative or narrative analysis. This is reinforced by tenure requirements in which time consuming archival analysis (as conducted by historians) can prove to be very costly for new faculty members, especially in times in which the quantity of articles is becoming increasingly important in some schools. The process of isomorphism makes it virtually impossible today to have new institutions created along the lines of the Centre de Recherche en Gestion (CRG) at the Ecole Polytechnique in its early years. After its creation, the CRG committed itself to engage in long-term in-depth research of corporations for five years before publishing any result. In the current environment, no university would fund an institute with that orientation.

The trend towards a standardization of how research is conducted in business schools has also been reflected in the way new scholars are being trained. During the last two decades, most business schools adopted the three-paper dissertation model developed in the American economics departments, in which a successful student would write three papers publishable in mainstream business journals. A doctoral student deciding to write a long monograph would be risking his or her professional career.

Methodological Problems

If we are optimistic about the calls made by different scholarly organizations and academic journals regarding the need to integrate historical analysis in business research, one question arises: How to do it?

For the last couple of decades the words “history” or “historical analysis” in business scholarship has meant the use of longitudinal databases or methodological tools such as “event history analysis”. A historian knows that a study is not “historical” just because it uses quantitative data covering a long time span. However, historians have not been able or have been reluctant to explain what exactly constitutes historical analysis to non-historians. This reluctance is the result of a complex set of factors, which cannot be reduced to a simple lack of methodology. As a matter of style, historians rarely discuss their methodology openly in their writings, but show it implicitly and in footnotes to readers. This not only might exasperate business scholars, but also can give the impression of a lack of clear and (more importantly) rigorous methodology, leading many to dismiss how serious or “scientific” the discipline of history is.

A second problem arises from the type of raw material used by historians. No historian would be taken seriously if he or she uses a database downloaded from a website, takes the data at face value, and applies different tools in analyzing them. The stereotypical image of a historian locked in an archive reading old documents still holds true to

*Les trois âges de la vie,
ou Les trois âges de
l'homme, Caspar David
Friedrich (1834-1835)*



some degree. Moreover, a good historian does not take the information in an archive or anywhere else at face value, but needs to read it taking into account the interests of those writing and holding the sources. This requires a particular methodology based on a strong body of scholarship. To add more complications, archive research takes time. Lots of it. Long research sessions in an archive might bring the historian only a couple of pages or paragraphs useful for his or her research. For business scholars who are pressed to publish many articles in a short time, this is not an option.

Finally, an even harder problem to overcome is how to integrate historical analysis with the theory development expected from business scholarship. After all, accepted business theories do not include a particular time frame as a boundary condition. Nor do theoreticians believe it should. The lack of collaboration between organization theorists and historians can lead scholars to believe in the impossibility of this integration. This is a complex problem that requires a sophisticated knowledge of both organization and historical theories.

During the last three years, the authors of this essay in conjunction with other scholars, have been working on a project on which they have sought to find some solutions to the above-mentioned existing obstacles for the integration of historical analysis in organization and management scholarship. The participants in this project met at different academic conferences, including several Academy of Management and the European Group of Organizational Studies (EGOS) meetings. As a result of their efforts, they published a collection of essays in the volume *Organizations in Time: History, Theory, Methods* (Oxford, Oxford University Press, 2014). In the following sections we discuss some of the book's proposals and possible future avenues of research this project can offer.

Re-Building a Bridge

One important aspect we need to take into account when thinking about the integration of historical research and organization and management studies is that the separation between them is a relatively new phenomenon. The essay by Behlül Üsdiken and Matthias Kipping provides a long-term view of the role of history in business academia since the 1920s (Üsdiken & Kipping, 2014). In their essay, they show how before World War II, historical research and the presence of business history courses in the curricula were the norm in business schools. The popularity of Alfred Chandler's first books on the rise of the large U.S. corporations (Chandler, 1962; 1977) and their acceptance among mainstream business scholars marked the peak of this trend. However, taking place parallel to Chandler's success, a whole new movement arose advocating a more scientific approach that used statistical tools for the analysis of present-day problems. New journals such as *Administrative Science Quarterly* established what would eventually be considered accepted writing styles, research questions, and methodologies. By the 1980s, this approach had definitively consolidated as the main one accepted by most business schools and the high ranked journals. In their narration of the gradual marginalization of historical research Üsdiken and Kipping (2014) show that some scholars made efforts to re-think the importance of historical research (Zald, 1991; 1993 being the most well-known one), while new theoretical approaches such as neo-institutionalism proposed research questions that required long-term historical analysis (DiMaggio & Powell, 1983; Scott, 2008). However, due to the general process of isomorphism in business schools

most such calls did not have echoes while neo-institutionalism became increasingly a-historical, as Suddaby et al. (2014) describe in one of the volume's chapters.

The scholars advocating for a larger role for history in organization and management studies (including the authors included in *Organizations in Time*) are not calling for a return to the kind of historical analyses conducted before the general scientific and quantitative trend in the discipline. Although we are aware of the value and need to keep considering works such as those developed by Selznick (1949; 1957), we also need to take into consideration both the opportunities provided by the intellectual development in organization, management, history, and the humanities as well as existing challenges such as promotion requirements in business schools. The authors included in *Organizations in Time* provide several possibilities by which different scholarly approaches can provide the foundations for a re-integration of historical research in management and organization studies. For instance, Michael Rowlinson and John Hassard show the benefits of using the achievements of the cultural turn previously adopted by historians, but increasingly popular among management and organization scholars conducting discourse analysis. Developing research that uses the theoretical lenses of the cultural turn leads to questions that require not only historical analysis, but also an awareness among scholars of their own historically-situated worldview and a need to critically read the material produced by organizations (Rowlinson & Hassard, 2014). Following a different approach, Stephen Lippmann and Howard Aldrich (2014) advocate the use of evolutionary theory as developed by Aldrich (1979) and Langton (1984) as a way to integrate mainstream organization and management research with historical research. This is clearly a more positivist proposal than the one advanced by Rowlinson and Hassard (2014), which provides a view closer to that accepted by mainstream management and organization research. Lippmann and Aldrich (2014) show how evolutionary theory, which analyzes how organizations evolve through time and why some disappear and others survive requires an analysis of the particular context surrounding the organization studied by scholars and the unique characteristics of those organizations. Evolutionary theory, however, permits scholars to develop generalizable and testable hypotheses more in the line of mainstream research. Finally, Roy Suddaby, William Foster and Albert Mills (2014) analyze the foundations of neo-institutional theory to argue that this approach was developed to answer questions that are of a historical nature. Neo-institutional theory was developed to study institutional processes, which deals with the concept of "change", and therefore is related to historical processes. The authors show how the so-called "old institutionalists" used detailed narratives of the processes they studied, took into account the role of individuals, and embedded the processes in the wider context surrounding them in order to understand institutional change (e.g. Selznick, 1957; Lipset et al., 1956; Bendix, 1956; or Gouldner, 1956). However, following the process studied by Üsdiken and Kipping (2014), after the 1980s and 1990s, the "new institutionalists" chose a rational choice approach in which the main objective was to find gaps in theory to be filled with quantitative methods. Detailed case studies were gradually abandoned and the need for a historical analysis became increasingly irrelevant. In fact, the study developed by Leblebici (2014) on the publications in mainstream management and organization journals and recent business schools' dissertations shows little mutual dialogue between this body of scholarship and what has been developed by economic and business historians or historical sociologists. A close reading of Leblebici's sample shows that

many articles and dissertations claiming to conduct historical analyses used either event history analysis or conducted quantitative analyses of long-term databases. Suddaby et al. (2014) claim that the adoption of a rational choice approach was detrimental to institutionalism because it has not allowed scholars to understand the motives behind isomorphic diffusion, the role of the social context in the speed or direction of isomorphism, or how a practice is elaborated within an organization after its adoption. They argue that a historical approach that takes into account the complexity of internal and external factors might provide a less clean and “messier” picture of the process of isomorphism, but a more accurate and realistic one that considers individuals and an ever-changing context.

The contributors of *Organizations in Time* show specific aspects by which management and organization studies can benefit from an integration of a historical approach. Jeffrey Fear (2014) proposes ways by which using the methods of periodization used

by historians, management and organization scholars can more clearly determine processes of organizational learning. Daniel Wadhvani and Geoffrey Jones (2014) show how different theoretical approaches developed by historians enrich current theories of entrepreneurship and provide them with alternative analytical lenses. David Kirsch et al. (2014) challenge the “industry life-cycle model” arguing that this approach neglects previous antecedents of existing industries, which requires historical analysis. Finally, Marcelo Bucheli and Jin Uk Kim (2014) call on scholars studying state-firm relations to take into consideration the fact that the state itself has a history and this history determines its relations with organizations.

The challenges to historical research in mainstream organization and management scholarship go beyond the problems of relating history to theory. Even scholars who are sympathetic to historical approaches often face the problem of not having a single source on how to conduct this type of research. This problem has its origins in the way historians

write their research. Most history books do not have an explicit “Methods and Sources” section, but these two elements are implicit within the text. Additionally, the main “raw material” used by historians is the information contained in archives (governmental, corporate, or otherwise). The lack of a clear methodology on how to conduct historical research or how to use archival information explains why many management and organization scholars who classify their work as “historical” might not even feel the need to use archival information, or in the case they use it, they might not be aware that this material needs to be analyzed and read differently from the way they do with quantitative data. An adoption of the way historians read and analyze archival sources can enrich the way research is currently conducted. First, as Lipartito (2014) argues, “sources” are not the same as “data” for historians.



*Allégorie du temps
gouverné par la prudence,
Le Titien (1565)*

Management and organization scholars usually do not question the validity or veracity of the quantitative information they use, nor the agenda those creating that information had at the moment in which it was created and how this affected the final result. When a historian reads archival material, he or she does not accept the information at face value, but takes into consideration the context of its creation, to whom that information was written, the general interests those creating it, the worldview of the authors, and (if possible) compares what they say with other archival material of other sources (Lipartito, 2014). Kipping et al. (2014) outline specific methods historians have developed to analyze archival sources that take their contextual complexity into account. As Yates (2014) shows in her essay, it is possible to make these methods explicit in a style that fits what mainstream management and organization journals consider acceptable.

Efforts to re-integrate historical analysis in organization and management studies need to go beyond the development of theoretical discussions and methodological approaches. As discussed in the beginning of this essay some wider institutional changes are required in order to legitimize this type of research in the field. We are aware that such changes take time and often meet resistance. We believe, however, that the current historical context provides an opportunity to question the type of research approaches considered as acceptable and legitimate until now. As we discuss in the volume introduction, the current criteria of legitimacy of business schools and management and organization scholarship have their own history and were defined by a set of particular leading organizations (Wadhvani & Bucheli, 2014). As originally discussed by DiMaggio and Powell (1984) three decades ago, organizations following a process of isomorphism in their quest for legitimacy might not necessarily be making the best decision in terms of efficiency or the uniqueness of their organization. Similarly, schools and academics following existing trends in order to obtain international legitimacy might undermine both the uniqueness and impact of a variety of scholarship that does not conform to what has become accepted as standard. *Organizations in Time* shows that existing legitimacy standards are not very old in the U.S. academia and are even more recent outside the Anglo-Saxon world, where scholars trained in the United States in the last decade and a half pushed their home countries' academic institutions to adopt trends existing in the United States. The confusion and self-criticism among not only organization and management scholars, but also policy makers and business practitioners after the catastrophic 2008 financial crisis in conjunction to the relative economic decline of the West vis-à-vis emerging economies constitute an opportunity for institutional entrepreneurs in academia to (re)validate the importance of historical research among legitimating institutions. Efforts beyond *Organizations in Time* have been made and we are optimistic that a reintegration of historical research is under way in business academia ■

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