

Psychologically Safe Workplaces: Utopia Revisited

Georgios P. Piperopoulos



GEORGIOS P. PIPEROPOULOS

PSYCHOLOGICALLY SAFE WORKPLACES: UTOPIA REVISITED

Psychologically Safe Workplaces: Utopia Revisited

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ABOUT THE AUTHOR

Dr Georgios P. Piperopoulos studied sociology and psychology at American, German and Austrian Universities receiving his Bachelor's, Master's and Ph.D. degrees; taught at several American, European and Greek Universities at both undergraduate and postgraduate levels before retiring from his professorial chair at the Department of Business Administration, The University of Macedonia, Thessaloniki, Greece.

[Dr Piperopoulos](#) is currently Visiting Professor at Newcastle Business School, Faculty of Business and Law, Northumbria University, Newcastle, UK. He was Visiting Professor at Newcastle University Business School, U.K. from 8/2013 to 8/2016.

He has held a variety of managerial posts in private enterprises and public social services organizations in the USA and Europe.

He has developed and taught Leadership, Communication, Stress Management and Psychological Operations courses at the Supreme Joint War College of the Hellenic Armed Forces (Army, Navy, Air force), the Army staff training school, the Hellenic Police Continuing Education Centre and at the Greek branch of the United Nations Peace Serving Operations Training Centre.

Professor Piperopoulos has published several textbooks and many popular books in Greek and English and authored hundreds of articles and editorials in leading Greek Newspapers and magazines. He has been a frequent guest on Greek TV and radio programs as a commentator and, for several years, presented his own show titled 'I Communicate Therefore I am' in Greek National and Regional TV channels and Radio stations. He has delivered hundreds of public lectures to groups in Greece, Europe and the USA.

Bookboon.com has already published his books:

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His daughter Dr Natasha (Anastasia) Piperopoulou lives with her son in Athens and is employed as psychologist in a public school for training and educating adolescents with special needs. His son Dr Panagiotis (Panos) Piperopoulos is Associate Professor at Royal Melbourne Institute of Technology (RMIT).

PROLEGOMENA

Humans as wandering *nomadic-hunters* or as *farmers* settled to agricultural pursuits, from antiquity to current times, have had to strive and continue to do so in order to secure for themselves and the members of their families food, clothing and shelter and, simultaneously, some desired levels of physical as well as symbolic, or psychological, *safety*.

It is not extravagant to assume that there have been in the past, and there exist among us today, some fellow humans who daydream of *utopias* where things are provided free, where there is no need to work and there is no fear of losing a job by being *'fired'* or, as the modern *'beautified'* term goes, being made *redundant*.

It should not be construed as an irreverent remark to note that in the Judeo-Christian tradition, the Biblical *'Paradise'*, in the form of *'the Garden of Eden'*, can be seen as a religious *utopia*. This type of utopia, however, is not encountered in other major world religions and is seen objectively more as a religious *myth* and less as an intentional *fairy-tale*.

Perusing historical records and scriptures from antiquity to our times, a reality emerges with certainty relating to the fact that individual human behavior, almost invariably and universally, can be ascertained as being more *egotistical* and less *altruistic*.

From the ancient Greek philosophy of Epicurean *hedonism* (etymologically the term emanates from the Greek word “ἡδονή” meaning pleasure); to Jeremy Bentham’s view of men striving to minimize pain and maximize pleasure; to the Freudian *'pleasure principle'* and the Behaviorists *avoidance of pain* as a learning mechanism, humans emerge as having been and continue to be primarily *selfish* or *egotistical* rather than *altruistic* beings. *Altruism*, as opposed to *selfishness*, stands at the other end of the behavioral dichotomy of *self-centered* and *other-centered* as a concept signifying the behavior of subduing human *selfish* tendencies and caring for others.

Altruism as a term originating from the Latin *alter huic*, evolving to the Italian *altrui* and ultimately the French *altruism*, has been attributed to French philosopher Auguste Comte (1798 -1857) who is also credited for having coined the term *sociology* in referring to the science of studying Human societies. A concept relevant to that of Altruism is the concept of *Anomie*, a construct introduced and used by the French sociologist Emile Durkheim (1858-1917) who is credited with the formal establishment of sociology as an academic discipline.

Anomie is the French rendition of the Greek term *ἀνομία* meaning *'lawlessness'*, and it was used by Durkheim to describe a social state occurring as an end result of severe crises, or

even desired but sudden social and economic transformations. *Anomie* exacerbates society's inability and failure to properly control excessive, human desires and demands emerging from selfish wishes. As *anomie* permeates a social system what emerges is a plethora of excessive, unrealistic, egotistical human aspirations.

For the Christians, the term *altruism* is dynamically embodied in Jesus's urging his disciples and followers to '*love thy neighbor as thyself*'.

Jacob Neusner and Bruce Chilton have co-edited a book titled '*Altruism in World Religions*' (2005), which contains a series of essays by notable scholars exploring a wide range of philosophical and religious thought areas. The essays start with the Greco-Roman concept of *philia* and Western religions of Judaism, Christianity, and Islam and progress to the Eastern religions of Hinduism, Buddhism and the religions of China and Japan. The essays contained in the book point out that *altruism* becomes a problematic concept when applied to religious studies because it is, in fact, a concept absent from most religions.

If we would use the Socratic form of questioning, and we carried the *selfish-egotistical* human tendency for maximizing pleasure and minimizing pain to the organizational level, and more specifically to '*for profit*' businesses as contrasted to '*not-for-profit*' organizations, it would be logical as well as legitimate for anyone to pose the question: '*why should we expect businesses to operate in the spirit of altruism and not in the spirit of selfish egoism?*'

Looking at the operational style and philosophy of business enterprises we will call your attention to a book authored by Gale Avery and Harald Bergsteiner. Using as their *paradigm* a heuristic metaphor from Nature, Avery and Bergsteiner in the preface to their book (2011) titled '*Sustainable Leadership – Honeybee and Locust Approaches*' present two significantly different types of business organizations. They clearly underline and note the fact that while the honeybees have represented *creation*, locust represented *destruction* ever since Biblical times (note that the invasion of locust was the 8th of the 10 Plagues inflicted on Egypt).

At their book, the two authors carry the analogy from Nature to the Business world characterizing and signifying the two opposing philosophies. Some organizations operate in a fashion similar to honeybees, collaborating and generating value for themselves and their communities while respecting their environment. Others operate in a self-serving manner, satisfying their own interests while consuming, like locust, resources lying in their paths. In defining leadership in their metaphor of honeybee and locust types of organizations they are emphatic in underlining that:

"...Leadership involves individuals – both leaders and followers. But effective leadership is about how those individuals interact with one another; their stakeholders; the organization's systems,

processes and culture; and the external environment. This in turn influences how firms allocate their financial, human and other resources...” (p.7)

Most Nations, worldwide, have incorporated in their Legal and Judicial Armamentariums specific Laws designed to discourage enterprises from behaving as *locust*, while in Business Schools, not only in Europe and North America but on a global scale, current curricula at both undergraduate and post graduate levels include courses focusing on such themes as *Business Ethics*, *Corporate Social Responsibility*, *Customer Relations*, *Customer Relationship Management* and *Communication and Public Relations* to mention just a few.

Avery and Bergsteiner have made noteworthy references, intrinsically related to the main r thesis of the book you are reading, to the two major and distinct forms of capitalism, which have coexisted for many decades, namely the Anglo/US and the Rhineland type capitalism:

“Anglo/US capitalism has various alternative names, including neo-liberalism or liberal market economics, common law, market-oriented or the shareholder-centred model. Similarly, Rhineland capitalism is variously known as coordinated or social market economics, stakeholder-centred capitalism or simply as the Continental model” (p.12)

To put it in less pleasant verbiage, bluntly, Rhineland capitalism is characterized by high levels of partnership between business, society and environment, while Anglo/US capitalism cares less for society and environment and more for profits. The Anglo/US approach is very dominant in advanced industrialized societies as it is supported by the strong influence of US business, popular culture, education, military and economic might and politics.

It should be noted however that Anglo/US type of capitalism and Rhineland capitalism do not specify geographic regions as there are *honeybee* type of American globally influential companies such as Colgate, SAS software and Marriott; in contrast there are globally known, significant German companies such as Daimler AG and Deutsche Bank, which have recently been caught acting in a manner exposing their strategic decisions aimed clearly at increased profits and, therefore, moving away from Rhineland philosophy towards *locust* behavior.

To further strengthen the dichotomy between Anglo/Us and Rhineland forms of capitalism, to separate in the process *honeybee* from *locust* type of corporate behaviors, we present below randomly selected cases from a plethora of *corporate misbehaviors* commonly characterized in popular parlance and the Mass Media as *scandals*. Those of our readers who are curious to see more similar examples, can easily locate them in the various reports presented by financial, legal and popular Mass Media. Such *scandals* constitute outstanding cases in the wider areas of, among others, fraudulent practices, fiscal abuses, accounting misrepresentations and disrespect towards the consumers and the environment.

The few examples given below should help the readers understand that in the real business world, globally, Small, Medium and Large enterprises are, often time, at a far distance from the public image of being utopian *'paradises'* for their employees as well as the consumers and clients of their products and services, since for them profits, not ethics, is what counts.

ENRON, the energy company based in Houston, Texas toppled at the dawn of the third Millennium, into a spectacular bankruptcy due to an *'accounting fraud'* created by its accounting firm, Arthur Andersen. Considered a top blue-chip stock at the end of the 20th century, Enron shares dropped from \$90 to \$0.50. The ENRON demise brought disaster in the financial world as countless stockholding investors saw their savings vanish, employees lost their jobs, as the company hurried in filing an earnings restatement in October 2001. As a corollary Arthur Andersen lost its license as Certified Public Accountants (CPA) in the USA leading to the combined losses of a total of more than 85,000 jobs.

PARMALAT the Italian producer of Ultra Hot Temperature (UHT) milk and other similar products, was caught in 2003 by financial authorities with a \$14 billion *'hole'* in its corporate books placing it on the list of the biggest, on a global scale, corporate *scandals*.

DEUTSCHE BANK the German based global and financial service giant, was caught in 2006 *'spying'* on its Board members and major investors private lives while in litigation with



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German media magnate Leo Kirch & Associates. The Bank's activities forced the German Government to pass a series of new Privacy Protection Laws for company employees.

BARCLAYS one of Britain's and the world's largest Banks, was caught in '*Libor manipulations*' and was charged a fine of close to half a billion dollars.

VOLKSWAGEN which by size of revenues, is globally one of the top 10 largest corporations, revealed in 2015 that it had installed '*cheating-chip*' computer software in millions of its diesel cars aiming to convince the USA Environmental Protection Agency (EPA), that their cars were more environmentally friendly than they actually were. This has cost Volkswagen over \$20 billion of loss of its stock price and so far, as this sum is not final, some \$15 billion fines to be paid to its customers and to the US Government over and above the serious public relations damage to its corporate profile.

We will close this brief glimpse at inappropriate corporate practices and management styles overlooking the interests of their employees making a brief reference to the collapse of the UK Corporation CARILLION which occurred as the book you are reading was nascent.

CARILLION, the UK outsourcing engineering giant, collapsed in January 2018 creating large numbers of redundancies, leaving many SME's who were cooperating with the Company struggling for survival and, simultaneously, leaving many projects unfinished.

A United Kingdom Parliamentary report issued May 2018, indicated that the collapse of CARILLION was "*a story of recklessness, hubris and greed*". Frank Field, Chairman of the Work and Pensions Committee, referred to: "*A board of directors too busy stuffing their mouths with gold to show any concern for the welfare of their workforce or their pensioners...*" The specific U.K. Parliamentary report was also highly critical of the Big Four 'Accountancy Firms' and went so far as to clearly suggest that the Financial Authorities should investigate 'Big Four' practices and even consider a break-up of their '*Oligopoly*'. <https://www.chroniclelive.co.uk/business/business-news/outsourcing-company-carillion-savaged-story-14661824> (Retrieved May 16, 2018)

The title of the book you are reading, which can also be viewed as a *monograph*, contains an obvious antithesis. The book title should not be construed as a pejorative view of the revival of the construct of the '*psychologically safe workplaces*' nor as an ironic appraisal of attempts to embed this construct in the cultures of business enterprises and organizations.

This book is intended to function as '*a sensitivity tool*' clearly aiming to increase the readers' awareness of the intricacies involved in and relating to the introduction, adoption and implementation of theoretical constructs and schemes designed to increase employee's

motivational levels. Raising employees motivation and involvement in their work usually enhances their performance in the workplace which, understandably, but not always clearly stated, results in increased productivity manifested in the bottom line of increased profits.

Without embodying covert conspiratorial or sinister and inhumane intentions, such theoretical schemes and constructs when adopted and properly applied, end up financially benefiting business' and organizations' stakeholders as owners, stockholders and managers but do not, unless clearly defined, bring real, beyond the symbolic and psychological, financial rewards or other benefits to the employees who are contributing towards that end.

The book you are reading, as an innovative and admittedly iconoclastic *monograph*, aims to guide you across a fascinating historical journey, by unfolding and briefly presenting the most important of the various theoretical constructs and schemes and their practical applications, which have impacted the lives of working men, women and, alas, children.

Engaging the readers in this historic, informative and, hopefully, fascinating journey should help them gain a better understanding of management strategies and techniques aiming to motivate employees behavior in '*giving their best selves*' to their companies. In doing so employees become a significant factor in helping businesses and organizations which employ them to sustain through time their competitiveness ensuring their survival.

PART ONE - PSYCHOLOGICALLY SAFE WORKPLACES: UTOPIA REVISITED

The title of this book, '*Psychologically Safe Workplaces: Utopia Revisited*' as we already stated in the *Prolegomena*, contains an obvious, intentional *antithesis* and hopefully its raison d'être will be better understood as we will present below each one of its two component parts.

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1 PSYCHOLOGICALLY SAFE WORKPLACES

The *‘Psychologically safe workplace’* construct constitutes, in broad terms, an intrinsically innovative and much promising concept in modern management theory which has made a noticeable re-appearance in relevant literature during the span of the last three decades.

Starting in the 1960’s and during the last decades of the 20th century academic research examining real life practices of management discovered that the open, free to speak out, and cooperative model of managing teams of employees and workers in corporations and organizations created, among many others, the beneficial result of uncovering valuable, untapped experiential knowledge in what since then is characterized as *‘tacit knowledge’*.

Additionally, *‘employee empowerment’* came into play as a positive, creative construct replacing the grossly ineffective practice of assigning to employees specific responsibilities without simultaneously providing them with the commensurate, related specific authority.

The early reference to *‘psychological safety’* was included in the book (1965) published by MIT professors Edgar Schein and Warren Bennis titled *‘Personal and Organizational Change through Group Methods’*. The two authors argued in their book that rapidly shifting global challenges could be creatively and productively met by businesses and organizations if they would strive to create a work culture that would make their employees feel secure.

From the roots laid in the 1960’s the usefulness of introducing and maintaining a *‘psychologically safe workplace’* continued to be evolving and ultimately it emerged to the forefront in a more distinct and clear fashion just before the end of the twentieth century.

William Kahn (1990) updated the concept of psychological safety with his qualitative research studies of summer camp counsellors and members of an architecture firm that showed how psychological safety enables personal engagement at work.

Kahn in his Academy of Management Journal paper titled *“[Psychological Conditions of Personal Engagement and Disengagement at Work](#)”* proposed that psychological safety affects individuals’ willingness to:

“Employ or express themselves physically, cognitively, and emotionally during role performances, rather than disengage or withdraw and defend their personal selves.” (p. 694)

Kahn's premise was that people use varying degrees of their selves, physically, cognitively, and emotionally, in work role performances, and this has implications for both the quality of their work and the experiences derived from it. He reported in his article that:

'Psychological safety was experienced as feeling able to show and employ one's self without fear of negative consequences to self-image, status, or career. People felt safe in situations in which they trusted that they would not suffer for their personal engagement.' (p.708)

The statistical evidence in Kahn's research suggested that people engaged more in their work place when psychological safety was present while disengagement characterized low level or lack of psychological safety. Kahn stated that according to the data:

'Four factors most directly influenced psychological safety: interpersonal relationships, group and intergroup dynamics, management style and process, and organizational norms.'(p.708)

Psychological safety is a construct also encountered in relevant literature in the form of 'team psychological safety' as discussed by Amy Edmondson, Novartis Professor of Leadership and Management at the Harvard Business School. Edmondson in several articles published since the 1990's and with her 2010 book titled *'Teaming: How organizations learn, innovate and compete in the knowledge economy'* has revived and brought to the forefront of 21st century management theory and practice literature the concept of *psychological safety*.

Edmondson (1999) in her article in the Administrative Science Quarterly, with the title *'Psychological Safety and Learning Behavior in Work Teams'* stated that:

'Team psychological safety is defined as a shared belief that the team is safe for interpersonal risk taking... The construct has roots in early research on organizational change, in which Schein and Bennis (1965) discussed the need to create psychological safety for individuals if they are to feel secure and capable of changing.' (p.354)

Organizations and corporations do not constitute fixed and static edifices but are dynamic entities operating in rapidly changing environments of intense competition and pressured to successful adaption to ceaseless novel challenges and realities. Operating in such conditions management and workers must collaborate in materializing and bringing forth in their daily activities their best selves.

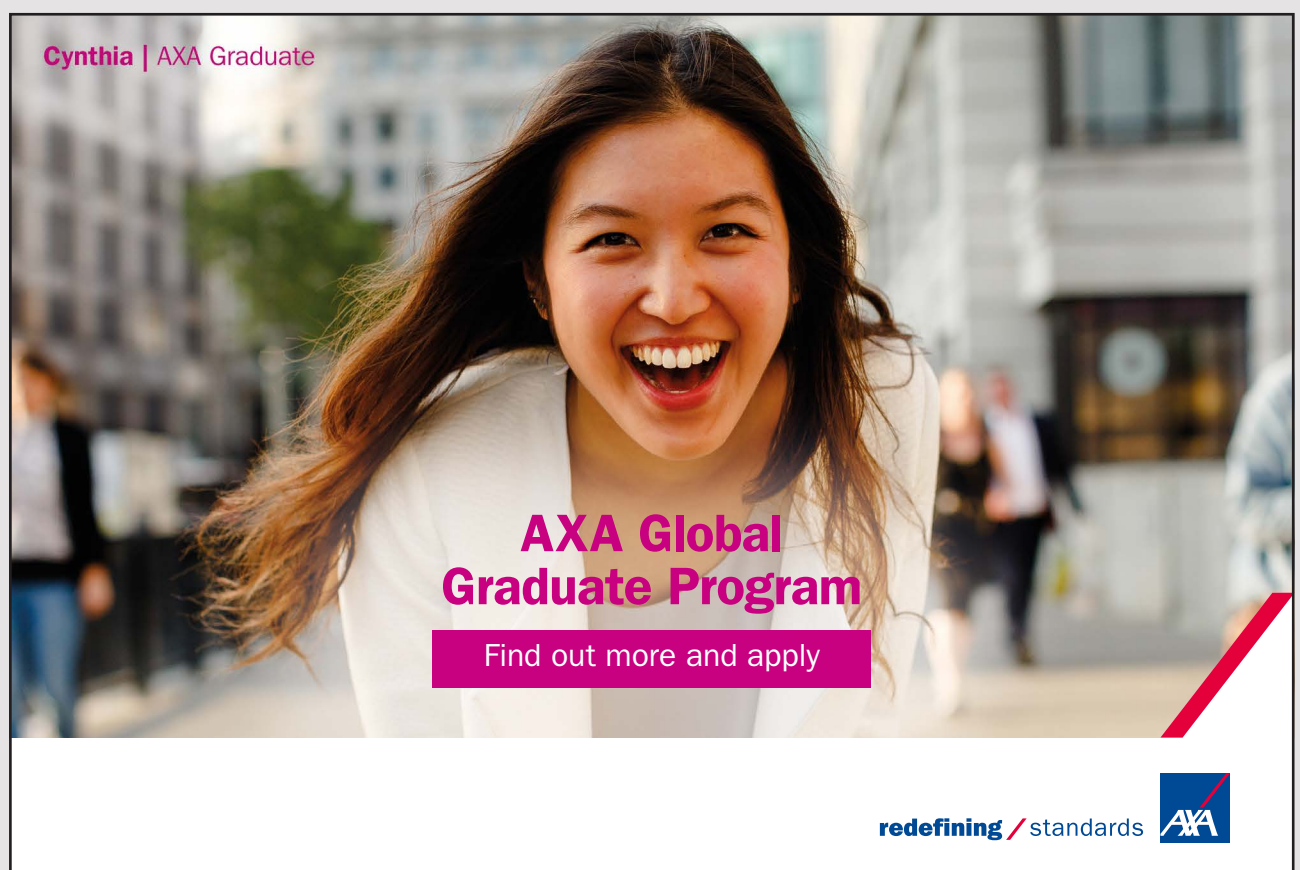
Edmondson (1999) foreseeing future developments in organizational and corporate life made some important predictions noting that:

'With the promise of more uncertainty, more change, and less job security in future organizations, teams are in a position to provide an important source of psychological safety for individuals at

work. The need to ask questions, seek help, and tolerate mistakes in the face of uncertainty-while team members and other colleagues watch-is probably more prevalent in companies today than in those in which earlier team studies were conducted. (p.380).

Dollard and Bakker (2010) in their article titled *'Psychosocial Safety Climate as a precursor to conducive work environments, psychological health problems, and employee engagement'* introduced their construct of *'psychologically safe climate-PSC'* as relating to freedom from psychological and social risk or harm and they differentiated their construct from the one presented and discussed by Edmondson stating:


'Workers who experience a team environment that is psychologically safe are free to engage in risk taking behaviour that is necessary for learning. Edmondson models two antecedents to team psychological safety: context support and team leader coaching. In particular, the construct 'context support', combining instrumental, social, and emotional support, is possibly closer to (but not the same as) our conceptualization of PSC, than the construct team psychological safety. Importantly, we see PSC as an antecedent to Edmondson's psychological safety construct. Theoretically, we see PSC as causally prior to psychosocial working conditions, not indicated by them as suggested in the psychological safety literature (Kahn, 1990). Additionally, we see PSC as affecting not just interpersonal factors but a range of psychosocial risk factors (e.g., work pressure, job control) (p. 580)



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Of particular interest is Dollard and Bakker's thesis that PSC presupposes full senior management commitment to the construct, noting that in some Nations PSC like safety climate may be mandated legally under umbrella type of provisions of occupational health and safety and duty of care mandates. The two authors argue that:

'...PSC flows principally from the priority given by senior management to production versus the psychological health of workers. Where there is political will and senior management favours a balance, we expect a number of policies, practices, and procedures to reflect this.' (p. 581)

The readers of our book should recall that in the *prolegomena* a reference was made to the egotistical and selfish human nature as contrasted to altruistic behaviour. At this point we will kindly ask the readers of this book to ponder over this seemingly simple question: should it be considered outlandish or simply unreal to hypothesize that *'avoidance of pain'*, indulgence in *'the pleasure principle'* and *'the principle of least effort'* were and continue to be parts of human nature suggesting perhaps to some extent a general human tendency to laziness?.

The *'principle of least effort'* also known as *'Zipf's Law'* reflecting the name of the Harvard linguistic theorist who first wrote about it (1949) suggests that animals, humans, physical entities and even well designed machines aiming to achieve their goal(s) will choose the *'path of least resistance'* which for machines constitutes the physical and for humans and animals the metaphorical pathway towards forward motion.

Indeed employees of modern business enterprises and organizations, as mature adult men and women, when permitted to indulge in *'day-dreaming'* usually bring forth the phantasy of a *'Utopia'* or a *'Paradise'* where humans don't need to toil and sweat in order to earn *'the daily bread'*; and the right to engage in playful pleasure producing behaviour. Daydreaming of places where there are no work time-schedules, no pressures of work demands where there is no fear of being *'fired'* or in contemporary terminology of being made *'redundant'*.

In a widely discussed article on Google's search lasting several years and encompassing numerous employees, in the purview of *'Project Aristotle'* which aimed to find and define the ways to build the *'most effective team'* Google concluded, as Alex Fradera noted that *'psychological safety'* was the most important ingredient but it has also a *'dark side'* which necessitates special attention (<https://qz.com/820763>)

As this book unfolds we will carefully examine the sequential emergence in historical perspective of innovative constructs, theorems and practices in management until we reach the current reality of creating and maintaining *'psychologically safe workplaces'*. The archaic paradigm of *'carrot and stick'* will not be totally deleted since global realities still confirm it.

At this point we will kindly ask our readers to look carefully at a challenging reality, somewhat overlooked by zealots in pursuing the introduction and application of the construct of *'psychological safety'* and the creation of *'psychologically safe workplaces'*; namely, that in order to do so business executives and organization directors especially those persons located in the middle of the hierarchy as team managers must feel *'psychologically safe'*.

Notably, as was the case with Deming's *'total quality management'*, which due to existing cultural and socio-psychological realities was easily adopted by the Japanese, corporations and organizations must adopt, incorporate and maintain from top to bottom and vice-versa a genuine culture of full commitment and support to the *'psychologically safe workplace'*.

Edmondson and Lei (2014) in their article titled *'Psychological Safety: the History, Renaissance and future of an Interpersonal Construct'* published in the Annual Review of Organizational Psychology and organizational Behavior have noted that:

'One practical takeaway from the literature on psychological safety is that this positive interpersonal climate, which is conducive to learning and performance under uncertainty, does not emerge naturally. Even when employees are embedded in an organization with a strong culture, their perception of feeling safe to speak up, ask for help, or provide feedback tend to vary from department to department, and team to team. Some of this variance can be attributed to the behaviors of local managers and supervisors, whose different styles and behaviors convey very different messages about the consequences of taking the interpersonal risks associated with willingly contributing. Although departments and teams may benefit from the variety of manager personality and styles, savvy managers should not underestimate the extent of congruent communication and intentional intervention required for psychological safety to be consistently effective.' (Page 39)

If this is not guaranteed and genuinely supported by the Board of Directors as well as top management, few section heads and managers will *'stick their necks out'* in introducing, supporting and maintaining the culture of a *'psychologically safe workplace'* risking their own position in the corporation or organization and exposing their team members to hazards.

Emma Seppala and Kim Cameron in their article published in the Harvard Business Review on December 1, 2015 under the title *'Proof That Positive Work Cultures Are More Productive'* suggest that a Boss or a team manager must perform 4 specific tasks in order to create and maintain a positive work culture conducive to raised productivity: *Foster social connections, show empathy, go out of your way to help, encourage people to talk to you – especially about their problems.* The burden of creating and maintaining a positive, psychologically safe work culture falls on the shoulders of the team boss-manager. And as it usually turns out to be the case if things do not go well as shown at the balance sheet 'bottom line' and there are reactions on the stock price in the Stock Markets the decision to make employees redundant

is not in the hands of the group managers. Such decisions are taken in the Executive suites of the corporation or the organization overlooking all the efforts that went into making employees feel that they work in a 'psychologically safe workplace'. <https://hbr.org/2015/12/proof-that-positive-work-cultures-are-more-productive> (Retrieved May 20, 2018)

George Ambler writing in his personal leadership blog on November 16, 2012 brought forth the term VUCA which stands for Volatility, Uncertainty, Complexity, and Ambiguity and originates from a 1998 report from the U.S. Army War College in Carlisle, Pennsylvania. <http://www.dtic.mil/dtic/tr/fulltext/u2/a345812.pdf> (Retrieved May 20, 2018). V.U.C.A. is the modern description of the new environment, the new context in which leaders must work today.

Volatility refers to rapid large scale change; Uncertainty refers to the difficulty of being Uncertain about present and future outcomes; Complexity describes the reality that there are many factors to consider and no single causes or solutions; Ambiguity comes as a corollary to the lack of clarity as to what events mean and the impact they may have on the organizations. <https://www.georgeambler.com/vuca-leading-in-turbulent-times/> (Retrieved May 20, 2018)



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Closing this chapter in good spirit and positive intentions the readers may be shocked by my decision to make a brief reference to the book (2007) written by Stanford professor Robert Sutton bearing the title *'The No Asshole Rule – Building a Civilized Workplace and Surviving One That Isn't'*.

Overcoming the emotional difficulty the title Sutton's book creates, it should be noted that in the last ten years since its publication in the United Kingdom and the United States the books has sold several hundred thousand copies and has claimed great positive reviews.

Professor Sutton makes a strong case for the emotional as well as the financial costs that fellow employees, supervisors and subordinates acting as *'temporary, occasional or certified assholes'* impose upon the companies or organizations where they are employed. The author goes so far as to introduce the concept of 'TCA' (Total Cost of Assholes) for organizations.

Sutton provides his readers with a guide in identifying what he terms 'The Dirty Dozen – Common Everyday Actions that Assholes use':

"1. Personal insults, 2. Invading one's 'personal territory', 3. Uninvited physical contact, 4. Threats and intimidation, both verbal and non-verbal, 5. 'Sarcastic jokes' and 'teasing' used as insult delivery systems, 6. Withering e-mail flames, 7. Status slaps intended to humiliate their victims, 8. Public shaming or 'status degradation' rituals, 9. Rude interruptions, 10. Two-faced attacks, 11. Dirty looks, 12. Treating people as if they are invisible." (p. 10)

A whole century has passed between the appearance of the historic *'scientific management theory'* and the current construct of the *'psychologically safe workplaces'*. From the age of *Taylorism, Fayol-ism* and *Fordism* to our days a large variety of management theories and practices have come to the forefront, dominated corporate and organizational practices and then progressively entered the proverbial limelight giving their places to more novel ones.

This evolutionary process combining the efforts and work of both Business School academics and management practitioners highlighted management attempts in corporate and organizational life to create and adopt, what in each time period seemed like the optimal workplace culture, characterizing employer-employee relations.

2 THE CONCEPT OF 'UTOPIA' IN LITERATURE

'Utopia' is an imagined place or state of things in which everything is perfect. The term derives etymologically from the Greek 'ου' meaning 'no' and 'τόπος' meaning 'place'. A blurred but persisting dichotomy relating to the first ever chronological appearance, reference and use of the term *'utopia'* has lingered on among academics and historical researchers.

On the one side there are those who contend that in a historical perspective the first reference to a *'utopia'* was made in Plato's work titled *'Republic'*. On the other side stand those who assert that Sir Thomas More introduced the term 'Utopia' in his classic 1518 book.

At this point I will publicly admit my identification with those who consider Plato's work as the first introduction of the term 'utopia'. My choice is not due to an ethnocentric inclination, but is based on the realization that Plato's 'Republic' was indeed a 'Utopia'. The first and most widely known classic utopian *'city-state'* namely Plato's *'Republic'*, (in Greek, *Πολιτεία*), was referred to by Socrates as the utopian city *'Καλλίπολις'* (the Greek word means *'beautiful city'*), and it emerges from a combination of the words *'κάλλος'* meaning *'beauty'* and *'πόλις'* meaning *'city'*.

In the *'Republic'* Plato envisioned a society where there was no private ownership, there were no rich and poor and there were no slaves. The *'Republic'* as a socio-political system was made up of three large population groups characterized and identified by the *'metal of the soul'* which every man and woman possesses at birth. The 'metal of the soul' is endowed to every man and woman by the Gods. The *'metal of the soul'* constituted a *'noble lie'* necessary to introduce, establish and maintain the Republic's socio-political order. In an ascending order of the significance of the metal related to its quality, some persons are endowed with iron and copper, some with silver and some with gold.

In Plato's Republic the administrator-rulers come from the *Guardians*, the defence of the city is assigned to the *Auxiliaries* and the *producers* provide material and functional needs.

Made up of iron and copper are all those who produce and provide services as farmers, craftsmen and merchants. Those devoted to defend the *'Republic'* as soldiers and policemen are identified with silver. The *Guardians* are the Administrators - Leaders of the utopian 'city-state' and their soul metal is gold. The *Guardians* are selected from those who successfully and with a distinction complete the prescribed lengthy, systematic, rigorous, demanding and ardent education.

Plato suggested that leaders are not born having acquired through heredity the innate capacity to lead but could and should be trained to be leaders through the most extensive, proper, rigorous and comprehensive education. In essence Plato's classic and well known thesis of the '*philosopher-King*' was that in the utopian *Republic* the leaders should be philosophers and vice-versa those who lead should be well versed in philosophy.

A series of questions could be raised relating to the rest of the citizens of the '*Republic*' and their daily and life-long activities or, to put it contemporary, modern socio-economic terminology, the question would relate to division of labor in the utopian society. The idea concerning division of labor rested ultimately upon an analysis of human wants. In the classic view the three primary wants of man were for food, clothing, and shelter.

Viewed from the perspectives of sociology, political science and economics even the most rudimentary form of a society needs at least husbandmen, weavers, shoemakers, and house builders; while smiths and carpenters come into existence to relieve the husbandmen. The exchange of products and services among these makes a merchant class necessary. Few such societies, moreover, are self-sufficient, and hence foreign traders and sailors can come and find employment. Meanwhile, another group, consisting of hirelings and slaves, appears. The function of the retail trades is validated on the ground that without them the seller might be compelled to wait or to depart with his goods undisposed of.

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Having made the short presentation of Plato's Republic we will at this point turn our attention to Sir Thomas More and his creation. '*Utopia*' was written by Thomas More (1478–1535) originally in Latin with the title '*De optimo rei publicae statu deque nova insula Utopia*' which in a free translation can be rendered as '*The optimal state of a republic and the new island of Utopia*'. The first printing of the book was produced in Leuven in 1516 under the supervision of Erasmus and after some editing by the author it was published in Basel in 1518. The book was translated and printed in English in 1551 sixteen years after More's execution by Ralph Robinson. The book was translated and printed in English by Gilbert Burnet in 1684 and for many this was the most cited and referred to edition of '*Utopia*'.

In More's classless society, everyone does the same work, is equal to every other citizen, has the same rights, and must work at least 6 hours every day at whatever they do best. As '*Utopia*' is an agricultural society, all people work the land. This creates the same conditions for everyone and ensures ample supplies to suppress the eternal human fear of want.

All clothing is plain, simple, and designed for utility and practicality. Finer material would give no better protection from the cold or make people appear better dressed. To prevent ostentation, Utopians exchange homes every 10 years and eat in mess halls. Hereditary distinctions are unknown, for children move from household to household, depending on which skill they want to learn. Since there is little distinction in occupation, dress, lodging, riches, or use of free time, pride is almost non-existent.

Utopia's collective agriculture displays the division of labour. Everyone learns the rudiments of agriculture to better serve the common good. This ensures *Utopia's* food supply and gives everyone access to civilized life. If an excessive surplus is produced, a holiday is declared so that no one works without purpose.

'Utopia', constituted a description of an imaginary island republic ruled by reason and intended to contrast with the strife-ridden realities of Sir Thomas More's contemporary European politics. Sir Thomas More remained a passionate defender of Catholic orthodoxy defying King Henry VIII and was executed for his belief and insubordination in 1535 on Tower Hill. The Roman Catholic Church venerated him as he was canonized a Saint in 1935.

It has been noted by some writers that Sir Thomas More (a lawyer and civil servant) who in his imaginary society of '*Utopia*' saw no need for the existence of Lawyers, is considered the patron Saint of Lawyers.

3 THE CONCEPT OF 'UTOPIA' IN POLITICAL ECONOMY

'*Utopian Socialism*' was a term used pejoratively to describe the work of early socialist thinkers such as the Frenchmen Henri de Saint-Simon, Charles Fourier, Étienne Cabet, and the Welsh Robert Owen as being unrealistic and characterized by naiveté. Later 19th century socialists among them Karl Marx and to some extent Friedrich Engels were criticizing previous and contemporary Socialists and Socialist theories as '*utopian*'. In reality there have been and continue to be many who characterize Karl Marx as being himself a '*utopian*'.

Marxist theory has not produced what its creator had promised for the working people in countries where it was applied. The most notable historic example has been the rise and fall (1917 – 1991) of the '*Union of Soviet Socialist Republics*' (*U.S.S.R.*) and the satellite Nations that were associated with the once almighty USSR in the European Continent. China as a Marxist State is not only a '*different*' in many respects but also a remarkably '*interesting case*' of a modern Nation controlled by a Government fully controlled by the Central Committee of the Chinese Communist Party but we will not deal with it in this book.

It will be noted at this point, however, that 2018 is the year commemorating the German philosopher and major theoretician of Communism Karl Marx's 200th birthdate. On this occasion the Communist Party of the People's Republic of China donated to Marx's birth city of Trier, Germany, a massive, 2.3 tons, 5.5 meters high bronze statue, which after some initial objections was finally accepted, placed outside the house where Marx was born and unveiled on May 5, 2018 in Trier, Germany. The donation of the statue and its unveiling was widely covered by German, Chinese and Global Mass Media of Communication (here are just a few such samples): http://www.xinhuanet.com/english/2018-05/06/c_137158532.htm <http://www.asahi.com/ajw/articles/AJ201805060014.html> - <http://www.dw.com/en/mega-karl-marx-statue-arrives-in-germany-from-china/a-42846644> (Retrieved May 14, 2018)

The Opus Magnus of Karl Marx (1818 – 1883) '*Das Kapital. Kritik der politischen Oekonomie*' (Capital, Critique of Political Economy) was published as a series of 3 volumes; volume I was first published in 1867, volume II in 1885 and volume III in 1897.

Marx, before writing '*Das Kapital*' had co-authored with Friedrich Engels and published in 1848 in London the classic pamphlet commissioned by the '*Communist League*' in English as '*The Communist Manifesto*' and in German as '*Manifest der Kommunistischen Partei*'.

The *Manifesto* opened with what has been since considered as the classic proclamation:

'A spectre is haunting Europe—the spectre of communism. All the powers of old Europe have entered into a holy alliance to exorcise this spectre' and closed with the call *'Working men (proletarians) of all Countries Unite!'* It should be noted at this point that the closing paragraph contained the sentence: *'... The proletarians have nothing to lose but their chains. They have a world to win.'*

The readers' attention is called to the closing sentence of the *'Manifesto'* as it should be underlined that the popularized English sentence well known across the world stating: *'Workers of the World, Unite. You have nothing to lose but your chains!'* although it has become a popular motto is not found in the original English or German text of the *'Manifesto'*.

Writing a brief essay in the Harvard Business Review under the title *'Was Marx Right?'* Umair Hague highlights some of Marx's key points taken from his book published by Harvard Business Review Press under the title *'The New Capitalist Manifesto: Building a Disruptively Better Business'*. The following paragraph is titled *'immiseration'*.

'Marx claimed that capitalism would immiserate workers: he meant that labor would be "exploited" — not just in a purely ethical sense, but in a narrower economic one: that real wages would fall, and working conditions would deteriorate. How was Marx doing on this score? I'd say middlingly: wages in many advanced economies — notably, the most purely capitalist in a

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financialized sense — have failed to keep pace with productivity; not for years, but for decades. (America's median wage has been stagnant for roughly 40 years.) In macro terms, labor's share of income has plummeted, while the lion's share of growth has accrued to those at the very top.' (<https://hbr.org/2011/09/was-marx-right> -September 07, 2011- (Retrieved January 24, 2018)

It is nothing more than a mere coincidence but it is nonetheless interesting that the last sentence of the above paragraph eloquently relates to the report made public to the Mass Media by UK charity 'Oxfam' on Monday January 22, 2018 which happened to coincide with the gathering of World Leaders for the 2018 World Economic Forum, held annually at Davos, Switzerland. The report, widely publicized in UK and Global Mass Media, pointed out that the wealth held by 42 multi-billionaires equals that of the World's 3.7 billion worst off citizens. An equally impressive as well as interesting statistic is that 8 billionaires hold the same wealth as half of the current World's population of about 7.5 billion people.

Mark Goldring, Oxfam GB chief executive, noted that:

"The concentration of extreme wealth at the top is not a sign of a thriving economy, but a symptom of a system that is failing the millions of hardworking people on poverty wages who make our clothes and grow our food." (<https://www.theguardian.com/inequality/2018/jan/22/inequality-gap-widens-as-42-people-hold-same-wealth-as-37bn-poorest>).

Kerry A. Dolan of Forbes staff making publicly known the number of billionaires on our planet for the year 2017 noted that on the 30th anniversary of publishing such a list there were 2,043 billionaires showing an increase of 233 compared to the number reported for 2016. He noted that their combined wealth has reached the astonishing amount of almost \$7.7 trillion.

The United States has the world's largest number of billionaires but if the trend of emerging new billionaires continues Asia, according to some projections, could overtake the West in less than five years from now. (<https://www.forbes.com/billionaires/#385da115251c>)

Leaving aside the '*mind boggling*' statistics (as many of my students characterized them) concerning the '*riches*' of the world's billionaires some selected statistics pertaining to contemporary CEO's and other top management annual incomes will be presented below.

A report published in March 2017 by the '*Equality Trust*' a charitable Organization of the UK under the title '*PAY TRACKER - Comparing Chief Executive Officer pay in the FTSE 100 with average pay and low pay in the UK*' gained widespread Media publicity as it showed with verifiable numbers that the average annual pay of £5.3m for CEOs in the UK's top 100 companies is 386 times that of a worker earning the National Living Wage. (<https://>

www.equalitytrust.org.uk/sites/default/files/Pay%20Tracker%20%28March%202017%29_1.pdf) (Retrieved January 25, 2018).

A similar report published in July 2017 by the *Economic Policy Institute* of Washington, DC, showed that '...CEOs in America's largest firms made an average of \$15.6 million in compensation, or 271 times the annual average pay of the typical worker... is still light years beyond the 20-to-1 ratio in 1965 and the 59-to-1 ratio in 1989.' (<http://www.epi.org/files/pdf/130354.pdf>) (Retrieved January 25, 2018).

Richard Berman trying to bring matters closer to what we would characterize as a more *'palatable reality'* wrote in the Washington Times on May 15, 2017 an analysis/opinion article titled *'The credibility gap on the pay gap'* pointing out that the disparity in pay between CEO's and average employees is dramatically impressive when the sample includes the USA top FORTUNE 500 companies. The picture becomes more realistic when one examines the earnings of 223,000 Chief Executives in America with a median annual salary of \$194,000. (<https://www.washingtontimes.com/news/2017/may/15/pay-gap-between-workers-executives-is-a-myth/>)

A relevant report published April 4, 2017 in the German financial newspaper *Handelsblatt* showed that, on the average, German CEO's earn 93 times as much as the average employees working for the same companies. On the upper level of the salaries curve there are examples exceeding this comparative average as shown in the cases of specific CEO's such as the software company's SAP earning 118, or the CEO of Volkswagen earning 170 and the CEO of Heidelberg Cement earning 190 times the salaries of their companies' average employees. On the lower level of the same curve CEO/average employee salary ratio an outstanding example is the CEO of Deutsche Bank (which is undergoing massive restructuring having encountered some strains in its operations) who earned 39 times the salary of his average fellow employees. (<https://www.thelocal.de/20170404/these-are-the-german-ceos-earning-most-compared-to-their-workers>)

Summarizing the foregone it should be stated that the antithesis of the two component elements of the title of the book you are now reading relates to two significant realities. On the one hand creating and implementing a *'psychologically safe workplace'* strengthens employee involvement in the company's philosophy, improves their levels of motivation contributing to increased productivity which logically raises profits. On the other hand this could turn out to be a *'utopian'* dream for employees who, despite their efforts in giving to their corporations and organizations their *'best selves'*, are not provided by owners and managers with solid guarantees of job security as well as a *'fair share'* of raised profits.

Umair Hague in his Harvard Business Review article mentioned above has also noted:

“False consciousness. According to Marx, one of the most pernicious aspects of industrial age capitalism was that the proles wouldn't even know they were being exploited — and might even celebrate the very factors behind their exploitation, in a kind of ideological Stockholm Syndrome that concealed and misrepresented the relations of power between classes. How's Marx doing on this score? You tell me. I'll merely point out: America's largest private employer is Walmart. America's second largest employer is McDonald's.” (<https://hbr.org/2011/09/was-marx-right>)
(Retried January 24, 2018)

The American retail giant Walmart which operates in the USA and selected countries across the globe is the parent company of UK's ASDA (which as this book is written has entered merger talks with British Supermarket chain Sainsbury's) and South Africa's Mass Mart employs over 2.2 million people.

The American fast-food retailer McDonalds with franchises all over the world employs some 1.6 million people in what are considered to be very low-skill jobs. The American dictionary Merriam-Webster for the span of the last half century has defined a *'Mc Job'* as *'a low-paying job that requires little skill and provides little opportunity for advancement'*



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A brief Recap...

In part one the foundations underpinning the title of this book were laid. We explored the concept of 'psychologically safe workplaces' from its original inception through to its current revival by emphasizing the benefits it brings to the business' and organizations' stakeholders.

We also explored the antithesis of 'psychologically safe workplaces' through the construct of 'utopia' including the philosophical type embodied in Plato's 'Republic' and Sir Thomas More's literary type in his book titled 'Utopia'. I concluded Part One with a reference to the economic form of 'Utopia' represented by Socialist economists and the work of Karl Marx.

In part two we will take a journey through History going as far back as the 26th century BC and the building of the great Giza pyramid devoted to Pharaoh Khufu and the building of the Athenian Acropolis during the 5th century BC....

PART TWO – A JOURNEY THROUGH HISTORY

4 THE BIBLICAL 'GARDEN OF EDEN': 'PARADISE' AS A RELIGIOUS 'UTOPIA'

It may not be a very common practice to open a chapter of a textbook aimed at university students, managers of businesses and organizations as well as interested members of the wider public referring to and using some personal experiences but I am doing it as it supports the book's theses hoping, simultaneously, that my readers will not be very critical of my act.

I was a foreign student at the City College of the City University of New York studying sociology and psychology. It was pre-Christmas period and while visiting the office of the *foreign students' advisor* to learn the details for a Christmas dinner visit as a guest of an American family my attention was caught by the writing on a wall plaque in his office:

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Daydreaming I tried to imagine a world where it would be possible to change the motto of the wall plaque keeping only the 8 hours referring to *'sleep'* and being free to spend the other 16 hours of each day doing whatever pleases you, simply having lots and lots of *'fun'*.

Some people relegate this type of life-style to a *'lazy individual's fantasies'* since for most of us the real world usually demands that we sleep less than 8 hours and we work more than 8 hours in order to earn the money needed to cover an average life's expenses which include shelter, food, clothing and usually for most people limited *'leisure activities of having fun.'*

It was an interesting coincidence that at the time, I was reading for my sociology course Thorstein Veblen's classic book *'The Theory of the Leisure Class'* and prompted by the wall plaque motto I naively asked my foreign student advisor: *'who are the people who can pay their expenses, have all the things they desire and have fun without having to work?'*

The answer from my friendly and impressively well-read advisor was for me, a Greek foreign student studying at an American University thanks to a *'Fulbright grant'* and a scholarship from the *'Anglo-American-Hellenic Bureau of Education'* astonishing and I will confess to you my readers that half a century later it still resonates in my mind today:

'Yes, very rich people but they are a minute percentage of the World's population!'

Sleep whenever you want, eat and drink whatever and when you want it, play and have fun as you desire, never having to work!

As I had been raised in the Greek Orthodox tradition and my Sunday school memories were still fresh, thinking of such a place and such a *'Paradise'* I immediately recalled the Judeo-Christian *'Garden of Eden'*. This type of life was possible by the Grace of God for the *protoplasts*, Adam and Eve before they broke Divine Law and were expelled. Ever since then for us, mortal human beings. *'The Garden of Eden'*, Paradise has become a mere...daydream!

A brief glimpse at the Biblical scriptures will be given below but you could take a look at a secular view of *'Paradise and the Garden of Eden'* reading Jean Delumeau's book which was originally published in French (1992) with the title: *Une histoire du Paradis: Le jardin des defices'* and translated into English by Matthew O' Connel, and published in 1995 bearing the title *'History of Paradise: The Garden of Eden in Myth and Tradition'*.

In the Book of *'Genesis'* of the Hebrew Bible and the Christian Old testament (the word *'Genesis'* etymologically comes from Greek and it means beginning, origin or creation) we read how God created the world and on the 6th day, after He had created the animals of the land and the birds of the sky, His last *'creation'* (or otherwise *'formation'*) was Adam.

'...And the Lord God formed man of the dust of the ground, and breathed into his nostrils the breath of life; and man became a living being.' ([Genesis 2:7](#)).

In the Bible the assertion is that God looked at Adam, His creation, declared him to be 'good' and placed him in the 'Garden of Eden' that is in 'Paradise' where Adam could have anything he desired as soon as he desired it and, indeed, without having to exert any effort.

At some point Adam expressed to his Creator the feelings of loneliness that plagued him and limited his sense of happiness in *Paradise*. According to the Bible, God had also recognized that it was 'not good' for Adam, His creation, to be alone and so while Adam was asleep God took a rib from the side of Adam and created a 'person' in the like of Adam, not an animal as the other animals He had created. To this person Adam, obviously happy and thrilled to have a companion in 'Paradise', proceeded to give the name Eve. (Genesis 2:18).

Adam and Eve were free to live as they desired in the *Garden of Eden*, to taste all fruits and play with the animals, to take care of the Garden with minimal effort but to avoid tasting the fruit from 'the tree of knowledge'. A reality for the *protoplasts* Adam and Eve, a 'utopia' for you and me, a life of minimal labour, plenty of fun and truly blessed, careless living.

According to Judeo-Christian Biblical tradition the 'protoplasts' Adam and Eve broke their Lord's rule and ate the fruit of the 'tree of knowledge' bringing forth God's wrath!

Closing this reference to the *protoplasts*, I will call your attention to the phrase God utters as he expels Adam and Eve from *Paradise* punishing them for committing the great, the so-called 'original sin', i.e. cutting and eating fruit from the 'forbidden tree of knowledge'.

"By the sweat of your face you will eat bread, till you return to the ground, because from it you were taken; for you are dust, and to dust you shall return. (Genesis 3:19)"

Living in Paradise and enjoying life without any substantial effort, not having to work in order to secure food and shelter (clothing was not needed to cover the nudity of the 'naïve and pure in heart protoplasts' or as protection from inclement weather) the dream-life in the *Garden of Eden* came to an abrupt end.

The scriptures do not give accounts of how long was the idyllic life of the protoplasts in the Garden of Eden, as time in general was a loose concept in Biblical references. However, on the day God's wrath was expressed, 'Paradise' and immortality were lost for Humanity forever in the process of punishing Adam and Eve's sinful behaviour of eating the forbidden *fruit of the tree of knowledge*. Ever since the day of expulsion, in Judeo-Christian tradition, the mortal humans have had to work in order to secure food, shelter and clothing for

themselves and members of their families. As the apostle Paul emphasized in his *second letter (epistle)* to the Thessalonians, (the name of the city which is my hometown, was and continues today to be Thessaloniki):

“For also when we were with you, this we declared to you: that, if any man will not work, neither let him eat.” (ch.3, 10)

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5 THE GIZA PYRAMIDS: HISTORY 'MADE' IN HOLLYWOOD

Opening this chapter in a somewhat unorthodox manner, I will invite you to imagine a cinemascope movie screen where myriads of workers and slaves are pushed and shoved and whipped by ruthless Masters as they are forced to carry large stones weighting from many hundreds to a couple of thousands of kilograms each towards a Pyramid construction site.

Now quickly flicker your eyelids and let us return to reality.

Hollywood films, throughout the twentieth century, starting with the black and white silent movies up to the contemporary digital age, multicolor, cinemascope and vista screen, Dolby sound impressive productions have shown scenes of beaten, kicked and whipped slaves laboring under Egyptian merciless Masters in building the Pharaonic Pyramids.

Searching my memories I recalled a film, the *'Ten Commandments'* released by Paramount Pictures in 1956 which I saw early in 1957 while I was a senior high school student in my hometown of Thessaloniki, Greece. My two closest friends, and class-mates and I, sat nailed to our cinema seats watching Cecil B. DeMille's remake of his 1920's classic film *'The Ten Commandments'* starring Charlton Heston, Yul Brynner, and Anne Baxter with the participation of, literally, a 'cast of thousands'. The film was filmed on location in Egypt and the Sinai desert and its visual effects (which won the film's only Oscar) had left us as teenagers deeply impressed!

Historical accounts verify, beyond any doubt, the existence of the institution of slavery and the inhumane processes of using men, women and children as *'war spoils selling and buying them to be owned as slaves'* throughout the Mediterranean basin. The Old Testament makes reference to Hebrews, living and toiling as slaves in ancient Egypt until the time Biblically described as the *'Exodus'*. This was the time they fled the Egyptian Pharaonic rule, under the leadership of Moses, following the 10 catastrophic plagues that had befallen Egypt.

Mixing folklore and History the Hollywood film depicted the plight and suffering of Hebrew slaves, whipped, kicked and beaten by their inhumane and ruthless Masters, living under the Egyptian Pharaonic. Hebrews as slaves worked and died in the process of building the Pyramids. This was Hollywood's assumption of *'poetic license'* in *'fabricating'* History.

In connection to this rendition of History and the construction of the Pyramids it is useful to read a Harvard Magazine article by its managing Editor, Jonathan Shaw, 89. <https://harvardmagazine.com/2003/07/who-built-the-pyramids-html> (Retrieved Feb.19, 2018)

Moses, as a Biblical figure and self-proclaimed leader of the Hebrews enslaved to the Egyptian Pharaohs, is considered by some Historians as a *'person'* belonging more to fiction and less to History. The chronology of his life, as indicated in various Biblical references, does not coincide satisfactorily with the construction of the largest of all Pyramids, that of Cheops in the Giza area. Furthermore it has not been properly verified by archaeological evidence that the Hebrews, who lived in Egypt as slaves and were notably engaged in brick and roof tile production, labored in vast numbers in the construction of the Pyramids.

Be that as it may, we will note at this point that the reference to the countless myriads of technicians and laborers involved in carrying through a construction project of such immense proportions with the limited mechanical aids of the times was made by the Greek Historian Herodotus. He wrote so after his return from Egypt, and his visit to the Giza Pyramids.

Herodotus, after his lengthy discussions with Egyptian philosophers and historians, basing his assessments on what he was told, wrote that the construction of the three Giza pyramids necessitated in terms of time decades of years to be built and in terms of labor over 100,000 workers who were supervised by architects and engineers.

Herodotus writings were accepted and not seriously challenged until late in the twentieth century some Egyptologists, a notable one among them being the American Dr. Mark Lehner, upturned the Herodotus story. Presenting archaeological evidence, these Egyptologists lead to lowering the numbers of manpower involved in the colossal task to a number between 20,000 and 40,000 persons. The relevant studies were noted in an article by Jonathan Shaw in the July-August 2003 issue of Harvard Magazine.

The very recent discovery of a papyrus shed new light to the processes of constructing the Giza Pyramid. It showed that teams of 40 craftsmen, using specially constructed river boats floating on canals that diverted the waters of the Nile to just a few hundred feet of the Giza site were able to transport around 170,000 limestones each weighing 2,1/2 tons to Giza. The new findings gave plausible answers to the four and a half millennia long standing enigma. These fascinating novel archaeological findings were reported in the Media and in a special British ITV – channel 4 production which was broadcasted in September 2017. <http://www.dailymail.co.uk/news/article-4913550/How-Great-Pyramid-Giza-built.html#ixzz4taElxNB6> (Retrieved February 19, 2018)

Physical construction remnants, unearthed by archaeological excavations, and considered to be part of a village in the Giza area next to the Pyramid gave substance to an earlier view that had been intensely challenged. That view contended that those who labored to build the pyramid, especially the skilled craftsmen, lived relatively well and were fed relatively well.

Relevant archaeological evidence was also used to signify that many workers were not slaves forced to hard labor but free Egyptians living in a feudal system where they owed something to the persons above them; such workers were the peasant farmers who offered their services to their Pharaoh in what was termed as *'bak'* a concept meaning behavior exemplifying the Egyptians' sense of duty to their Lords.

The analogy may not hold perfect but Dr. Mark Lehner in his writings (1997 and 2017) suggested that the practice of *'bak'* resembled similar practices in the Amish social system and social structure or the practices observed in countries where military service is mandatory and young men enlist in their National Armed Forces observing a *'patriotic sense of duty'*.

Closing we will note that the impressive Egyptian pyramids during the last five millennia have given food for thought and for the creation of large numbers of written documents. The variety of efforts attempted to explain the how, by whom and under what management practices and workers behavior they were constructed.

Notable among the various written reports presenting hypotheses and theories is Erich von Däniken's book (1968) which was produced also as a documentary film titled *'Chariots of the Gods'* and his theories of extraterrestrials *'lending a hand'* not only in the construction of Pyramids but also in creating many ancient impressive monuments of Human Endeavors.

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6 PERICLES AND THE ACROPOLIS OF ATHENS

Acropolis is a word of Greek origin (*Ακρόπολις*) which etymologically refers to the highest, tallest in elevation, section of any given city. The Acropolis of Athens stands at a height of about 150 meters above sea level and it is a flat surfaced rocky area.

Perhaps some of you, readers of this book, have visited the Acropolis of Athens and surely many of you have seen photos, videos and films of its remaining marble monuments among which the most well-known, impressive for its architectural style and aesthetic qualities is the Parthenon, dedicated to '*Pallas Athena*' the patron Goddess of the city of Athens.

'*Pallas Athena*' in Greek mythology was a virgin deity worshipped as the goddess of wisdom, the arts and prudent warfare who was born springing out fully armed from the forehead of her father Zeus. For the Romans the counterpart deity to the Greek *Pallas Athena* was *Minerva* who was also considered to be the goddess of wisdom and the arts.

The construction of the impressive edifices on the Athenian Acropolis commissioned by Pericles, began in the middle of the 5th century BC, and historical accounts by Herodotus and Thucydides, (the latter was an ardent political opponent of Pericles), specify the beginning of construction in the year 447 BC and its conclusion almost a dozen years later.

Such a large scale construction project necessitated proper management skills, technical engineering and architectural know-how, as well as human and physical resources (including the marble used as building material) and surely financial resources.

Pericles put in charge of the project the architects Callicrates, Mnesikles, and Iktinos and the sculptor [Phidias](#) who was credited with the creation of the statue of Zeus in Olympia (where the original Olympic Games were held). This statue was included in the famed Seven Wonders of the Ancient World. Historical accounts make reference to almost two years of preparatory studies and drawings of the plans for the construction project on the Acropolis.

The architects in charge of the project, acting in wise project management style, enlisted the services of hundreds of skilled builders and artisans and a large number of workers and slaves possessing less or no skills. Thus the Human Resources issues were taken care of.

It was decided that the building material would be the white marbles of Mount Pendelikon at the outskirts of the city of Athens and so the project management team took care of the issues relating to location and transportation of the necessary physical resources.

The huge Financial Resources this grandiose project necessitated were assured by Pericles who had amassed impressive amounts of wealth in the central reserves of the city of Athens. In order to explain how these finances became available for the completion of the project we will take a brief glimpse at the History of Athens some decades before the project started.

Historical evidence suggests that some less impressive edifices existed already on the hill of the Athenian Acropolis but they were destroyed by the invading Persian Army when it set foot in the Athenian mainland. The second Persian invasion of Greece took place in 480-479 BC lead by King Xerxes the son of King Darius I. King Darius I had attempted to conquer Greece in the first Persian invasion 492-490 BC and was finally defeated at the battle of Marathon. After Darius I death his son Xerxes decided to launch another attempt aiming to the conquest of Greece amassing immense land and sea forces.

In the summer of 480 BC Xerxes ordered his land troops to pass through the narrow pass of Thermopylae which was defended by 300 Spartans, 700 Thespians and a few hundred other Greek troops under the leadership of Leonidas, King of Sparta. As the Greek troops had secured the narrow straights of Thermopylae the Persian troops marching on suffered great loses and were initially halted on their march towards Athens.

As Herodotus wrote in his *Persian War* historical texts, a local Greek traitor named *Ephialtes of Trachis*, hoping to gain favors from the mighty Persian king, revealed to the Persians a secret pass leading them behind the Greeks. Leonidas fell along with all his men enabling the Persian troops to pass through the straights of Thermopylae going to Athens.

The Persian land forces reached the city of Athens, scorching the cities laying between Thermopylae and Athens'. After defeating the small number of defenders who had barricaded themselves on the Athenian Acropolis, King Xerxes issued the order to his troops to scorch to the bare ground the city of Athens and all the edifices which stood on the Acropolis.

The last dramatic act, of the second Persian invasion of Greece under King Xerxes, was to be the sea battle in September 480 BC off the island of Salamis. Under the command of Athenian General Themistocles, the Greek naval forces, greatly outnumbered by the Persian Navy and the large number of Persian Triremes, ultimately managed to lure the Persians to enter the narrow sea straights between the island of Salamis and mainland Greece.

As the large Persian ships had immense difficulties in maneuvering, the lighter Greek ships managed to approach and destroy a large number of Persian war ships, ultimately forcing Xerxes to abandon his campaign, withdraw from Greece and return to his country.

The epilogue was written in the final and total defeat of the remaining Persian forces by the allied Greek forces in the summer of 479 BC. The Persians were defeated in the land

battle of Plataea and in the naval battle off the coast of Mount Mycale in Ionia leading the last Persians to flee Greece.

Following their victories and having proven their naval superiority and capabilities, the Athenians assumed the role of acting as *'protectors'* to dozens of Greek city - States on the mainland and the Aegean islands collecting levies for defense services offered to them.

The city of Athens treasury was enriched by immense incoming amounts of monies.

As already mentioned above this amassed capital was used to finance Pericles' great vision of building a new Parthenon as well as some other edifices on the Athenian Acropolis.

A brief Recap...

In part two, we visited the Judeo-Christian construct of 'Paradise' as the 'Garden of Eden', described the construction of the Giza Pyramid of Pharaoh Khufu, and the historical processes involved in the construction of the *Athenian Acropolis* by *Pericles*. These huge projects, even by contemporary building standards, necessitated some *'Management'* for the coordination

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of vast numbers of skilled technicians and unskilled workers, using materials, finances, and technical know-how. Looking at the human achievements in the period between the 26th century BC and 21st century AD it can be suggested that *management* and *leadership* have a history of 5 at least millennia. For ancient Egyptian and ancient Greek craftsmen and skilled workers their work was motivated by pride in what they were doing, a sense of identity with the Pharaoh for the Egyptians and pride for their city for Athenians.

In part three we will present the major socio-economic and political events which occurred during the 19th and 20th centuries and have influenced our current realities.

**PART THREE – FROM THE BRITISH
INDUSTRIAL REVOLUTION TO THE
GREAT DEPRESSION AND THE 'NEW
DEAL' PROGRAMS IN AMERICA**

This part of the book constitutes a brief, necessary glimpse at the historical period of about two centuries (from the second half of the 18th to the first half of the 20th century). In this part of the book we will present briefly but succinctly some of the key processes which within the span of two centuries changed the course of Human history. In this time period the world stood witness to the creation, introduction and realization of unprecedented socio-economic and political conditions and phenomena which, by most accounts, have come to define in many respects the current socio-economic and political realities in which you and I live.



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7 THE BRITISH INDUSTRIAL REVOLUTION

Economists, historians, political scientists and sociologists have used the term '*industrial revolution*' to describe the unprecedented changes of work patterns, employment of novel basic materials, machinery and energy sources for the production of goods which took place between the middle of the 17th and the middle of the 18th centuries.

The term was made popular by Arnold Toynbee (1884) the Oxford educated English economist, historian and political activist in a book which, it should be noted, was compiled and published not by himself since he died prematurely around the age of thirty, but posthumously by his students and friends. The book was based on the notes he left behind and from those his students had kept from the lectures he delivered at Oxford in 1880-81.

Toynbee (1852-1883) and other economic historians place the '*industrial revolution*' as taking place in England at the time period of several decades between 1760 and 1840 AD.

Taking into consideration the definitions of the term '*revolution*' as constituting sudden and radical changes. Toynbee's assessment of the prolonged time period involved in Britain's industrialization processes does not constitute a '*revolution*'. It was characterized more as the culmination of a large sum of innovations and inventions and a series of related events.

The socio-economic transformation of agrarian England to the world's first and leading industrial society was facilitated by the synergy of innovations in agriculture and husbandry; in manufacturing machinery facilitating large scale production surpassing the use of human muscles; the use of coal instead of the classic sources of energy such as charcoal, water and wind in the processes of manufacturing of cotton, iron and steel products.

In Britain, spanning the period of several decades the convergence of innovations in farming and husbandry resulted in increased levels of food production. Farmers who cultivated land and raised livestock were left without employment, they were forced to move away from the countryside and flocked in cities looking for gainful employment. The massive population movement created the demographic shift from a rural to an urban type of society.

Ferdinand Tönnies (1855-1936), the German sociologist, has presented a dichotomy of two *ideal types* of social organization and the related web of human relations associated with each one of them. Ferdinand Tönnies made a clear distinction between the '*Gemeinschaft*' ('rural' in English) and the '*Gesellschaft*' ('urban' in English) types of social organization in his (1887)

book titled '*Gemeinschaft und Gesellschaft*' which was translated and published into English in 1957 with the title '*Community and Society*' by the Michigan State University Press.

Tönnies suggested that in the rural, *Gemeinschaft* type society, human relations throughout pre-industrialization centuries followed traditional values, were characterized by face-to-face interaction, presupposed and expected cooperation and entailed sentiments and emotions. In contrast in the urban, *Gesellschaft* type of society human relations became impersonal as they were shaped by economic and political considerations which break the communal bonds of togetherness and diminish them to egotistical self-serving motives.

Osborne (2013) in his book titled '*Iron, Steam and Money: The Making of The Industrial Revolution*' has suggested and documented the thesis that in late 18th century Britain a handful of men, inventors, industrialists and entrepreneurs changed the socio-economic and political web and nature of British society introducing new forms of socio-economic order and of political organization.

In his book Osborne presents and documents the unique achievements, contributions and the personal dramas of leading personalities who toiled to make the British '*Industrial Revolution*' a reality. Among them Osborne identifies the pottery manufacturer Josiah Wedgwood, the cotton spinner Richard Arkwright, the engineer and inventor James Watt, the engineer-innovator and creator of the steam locomotive Richard Trevithick.

The Industrial Revolution, as is common to socio-economic and political phenomena, had its positive sides along with the negative ones. Allen (2017) in his book titled '*The Industrial Revolution: A Very Short Introduction*' used in a metaphorical sense the title of the Scottish novelist's Robert Louis Stevenson book, classifying the positive under the title '*the benevolent face of Dr. Jekyll*' and the negative by the title '*the malevolent face of Mr. Hyde*'.

From such a dichotomy the plight of men having to spend 12 hours on a work-shift for meagre wages; of children exploited in factories and coal mines, of rising unemployment against rising profits; of unsanitary dwellings and heavily polluted cities emerged the needed impetus for the birth of Unions and the rise of socialism.

Dreary and inhumane working conditions for children and adults prompted the publication in 1848 of the now classic '*Communist Manifesto*' authored by Karl Marx and Friedrich Engels which ended calling the abused workers '*to unite and get rid of their chains...*'

Professor Jane Humphries (2010) in her book titled '*Childhood and Child Labor in the British Industrial Revolution*' brought forth the reality that child labor existed long before the Industrial Revolution. She points out that children toiled in family work in agriculture,

farming and husbandry and also as apprentices under craftsmen and artisans. Her book highlights, however, the intensification of child labor by the participation of children in large numbers in cotton factories and in coal mines.

Professor Humphries's research, published by Cambridge University Press, reveals that the average age at which working-class children entered the labor market fell from eleven and a half (prior to 1791) to 10 for the period 1791-1850. Her book, using 600 autobiographies, and data, even in sketchy form, provided by Governmental Agencies has revealed statistics that were presented in the British Mass Media and among them, for example, in the newspaper *The Sunday Independent*: <http://www.independent.co.uk/news/uk/home-news/revealed-industrial-revolution-was-powered-by-child-slaves-2041227.html> (Retrieved February 25, 2018)

Using the title: *'Revealed: Industrial Revolution was powered by child slaves'* and the subtitle *'Huge factory expansion would not have been possible without exploitation of the young'* the *Sunday Independent* in a feature article on August 1st, 2010 signed by David Keys quotes extensively professor Jane Humphries research. Her research highlighted the fact that during most of the 18th century only around 35 per cent of ten year old working-class boys were in the labor force while the figure for 1791-1820 (when large scale industrialization started) was 55 per cent and then rose to 60 per cent for the period of 1821-1850. Humphries



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estimates suggest that, by the early 19th century, England had more than a million child workers (including around 350,000 seven- to 10-year-olds) accounting for 15% of the total National labor force.

Concluding this chapter which focused on the *'Industrial Revolution'* it should be noted that Britain was the protagonist in this quickly unravelling novel historic socio-economic and political process and as such attempted to *'keep the secrets'* within its National boundaries. Ultimately and surely, however, as it would have happened sooner or later, other Nations started engaging in their Industrial Revolution processes. Across the channel, on the European continent Belgium, France and Germany following Britain entered their Industrial Revolution periods, and on the other side of the Atlantic so did the U.S. of America.

What stands out as an interesting sociological and economic reality is that while Germany followed Britain in entering the 'Industrial Revolution', Germans ultimately surpassed the UK within the span of a few decades assuming the protagonist role in Industrialization.

Closing the brief presentation of the Industrial Revolution we will point out another interesting reality historically significant for Europe and the world. The reference is to another type of Revolution aiming to establish an 'ideal socialist – communist society' (for some a socio-political and economic 'Utopia'). Those who conceived of such a 'Utopia' aimed to see the end of *'the exploitation of Man by his fellow Man'*, ending the capitalist exploitation of labor. This type of Revolution, however, did not materialize in one of the leading industrial Nations of Europe, i.e. Britain, Germany, France or Belgium. It occurred in Czarist Russia, a Nation which despite the rushed efforts continued to remain in its socio-economic profile mainly agrarian lagging far behind the industrialized Nations of Europe.

Chapter 7 below will focus on the evolution of Workers-Labor Unions in Britain and other Nations. Chapter 8 will deal with Czarist Russia and the two Bolshevik Revolutions of 1917.

8 UNIONS AND UNIONISM

Throughout human history attempts by merchants, artisans, craftsmen and other skilled laborers to unite in order to protect their interests took a variety of forms before reaching the organized, large scale workers-labor Unions which appeared first in England during the era of the Industrial Revolution.

In the Roman Empire, a social formation requiring at least 3 persons united by shared activities and economic motives came to be known as '*Collegia*'. These rudimentary socio-economic entities emerged during the successive centuries of omnipotence of the Roman Empire and existed until its dissolution. Some of the '*Collegia*' were considered to be illegal but many existed with the express approval of city magistrates.

In Medieval Europe, between the 11th and 16th centuries, social formations of two dominant types appearing as associations of merchants or craftsmen came to be known as '*Guilds*' (or '*Gilds*'). They provided mutual aid and protection to their members furthering their professional interests. The assumption that Trade – Labor - Workers Unions constitute an evolutionary form of the medieval *Guilds* has not gained unanimous scholarly support.

The Industrial Revolution, as we already discussed it above, originated in Britain and, despite efforts to contain this socio-economic reality within British boundaries, in the span of a few decades the United States of America and continental European countries entered the era of industrialization. As we pointed out earlier, during the *Industrial Revolution* ruthless employers engaged in inhumane treatment not only of the adult workers but also of children they employed. Large scale workers-labor Unions came into existence in Europe and the USA aiming to provide protection and support for workers and employees.

Before we take a brief look at Unionism as it appeared in Britain, the USA and select continental European Nations it could be rather useful to present a quote from Stefan Berger's book (2013) titled '*Social Democracy and the Working Class in Nineteenth and Twentieth Century Germany*' where the author criticizes the prevailing tendency of many historians to emphasize the '*national character*' of Labor movements:

"...British workers were supposed to be pragmatic, tolerant, non - violent and satisfied with piecemeal parliamentary reforms, French workers were purportedly undisciplined, violent, and patriotic and anti-Catholic, and German workers allegedly had a unique talent for efficient organization..." (p.11)

For the prevailing Labor historians' insistence on the role of '*national character*' in galvanizing the identity of Labor Unions Berger uses as a quote made by Karl Marx:


"...The German proletariat is the theoretician of the European proletariat, just as the English proletariat is the economist, and the French proletariat its politician...." (p. 11)

8.1 UNIONISM IN BRITAIN

There exists sufficient historical evidence and scholarly consensus in considering Britain as the birthplace of the modern Trade – Labor –Workers Unions which emerged from the unprecedented sociological, political and economic realities related to the processes of the *Industrial Revolution* which, as we described above, also had Britain as its birthplace.

Sidney and Beatrice Webb's classic work titled '*The History of Trade Unionism 1666-1920*' was originally published during Christmas of 1919 and covered development in England from the 18th to the 20th century. They considered the Trade Union as a continuous association of wage-earners for the purpose of maintaining or improving the conditions of their working lives ((based on the original artifact the book was published in 2017 by Andesite Press).

The transformation of an agricultural society into an industrial society had as a corollary, the mass movement of vast numbers of people from farming and husbandry to employment in factories and coal mines. This demographic shift resulted in the magnification of small cities into numerous smog filled urban centers characterized by an abundance of factories and at the same time by a dramatic lack of proper housing.



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Interested readers will encounter an abundance of reports focusing on the inhumane treatment of factory workers and coal miners' of unsafe work places, of abuses, low wages and abrupt dismissals. The most dramatic reports focus on the exploitation of children under the age of 10 working from dawn to sundown in danger-filled factory areas often time resulting in amputations of limbs and arms. Such conditions of '*Child labor*' gave rise to the workers need to Unionize in the hope of gaining better working conditions and better wages.

Relating to the work conditions described above is the impressive collection of articles and essay edited by Patricia Hollis (1973) under the title '*Class and conflict in nineteenth-century England, 1815-1850*' which constitutes a richly rewarding source of information.

Henry Pelling's book (1963) titled '*A History of British Trade Unionism*' highlights a story of struggles bridging several centuries and taking the reader in a journey from Guilds and rudimentary laborers' and craftsmen's associations to the emergence of British Unions.

Although small groups as '*Unions*' of workers in various production areas were formed in the early stages of the *Industrial Revolution* they were successful in becoming widespread across industries but did not manage to grow and materialize in the form of National Unions.

The National Association for the Protection of Labor was formed in 1830 and constituted one of the first attempts towards the formation and consolidation of various small Unions under a larger National level scheme. In 1834 *The Grand National Consolidated Trades Union* emerged, after a London meeting, during a period of social unrest and great strikes in cities such as Derby and Leeds but was short lived and did not extend beyond London.

Finally it was a decade later, specifically in the year 1845 when *The National Association of United Trades for the Protection of Labor* and its sister organization named *The National Association of United Trades for the Employment of Labor* managed to solidify and galvanize into what ultimately emerged as the Nationwide Association of Unions in Britain.

8.2 UNIONISM IN THE USA

In the United States of America a variety of local workers Unions related to trades and crafts existed during the late 18th and early 19th centuries before the appearance of the Nationwide '*National Labor Union*' (NLU) in 1866 which was dissolved six years later in 1872.

The '*Knights of Labor*' which emerged officially with the title '*Noble and Holy Order of the Knights of Labor*' in 1869 was the first well organized movement transcending regional boundaries, trades and crafts specialties, religious affiliations, ethnic and gender identities.

Among the strengths of the *Knights of Labor* were their demand that the U.S. Federal Government implement the 'eight-hour' work day and eliminate 'child labor'. Among its weaknesses was the adoption of a veil of secrecy, resembling to some extent Masonry. The adherence to a code of secrecy, which simply aimed to protect its members' identities from employers' wrath and punishment by dismissal, ultimately faced raised Church opposition.

Robert E. Weir's book (1996) *Beyond Labor's Veil – The Culture of the Knights of Labor*, presents a fascinating cultural portrait of the *Knights of Labor* as they appeared and evolved across several regions of the United States, during the period from 1869 to 1893.

The 'Federation of Organized Trades and Labor Unions' (FOTLU) of the United States and Canada was formed during the 1881 Convention of Unions in Pittsburgh, Pennsylvania and it changed its name five years later in 1886 to 'American Federation of Labor' (AFL).

A wealth of detailed historical and sociological material covering this period and the politics relating to the emergence of the AFL can be found in Philip S. Foner's book titled *History of the Labor Movement in the United States. Vol. 1: From Colonial Times to the Founding of the American Federation of Labor* published originally in 1947 and then in a more recent edition in 1978.

8.3 UNIONISM IN GERMANY

Unions in Germany were mostly localized and focused on individual trade and craft specialties. Until the historic Revolt of students on March 13, 1848 in Vienna, Austria which at that time was the predominant State among the numerous German States German Union seemed to be emerging as a continuation of the 'Guild' system. For some analysts prelude to the Vienna Student uprising were the street demonstrations of workers and artisans in Paris February 22-24, 1848 which terminated the reign of King Louis Philippe I (1773-1850) and forced him to flee to Britain.

Priscilla Robertson's Book (1952) titled *Revolutions of 1848 – A Social History* offers a fascinating presentation of the fateful involvement of ordinary citizens in revolutions, noting the significant roles dramatized by working class Frenchmen who forced their King to exile and revolting students who took control of the City of Vienna, Austria. More information on Unions as well as on other socio-economic and political aspects of Germany's history can be found in Marshall Dill, Jr's book (1961) bearing the title *Germany – A Modern History*.

Demonstrating students in the March 1848 Vienna uprising, who demanded a Constitution and a Constitutional assembly, were forcefully repelled by the Army of Emperor Ferdinand

I (1793-1875). In the ensuing clashes several demonstrating students were killed. At that point large numbers of the members of the newly formed group titled '*working class of Vienna*' joined the demonstrating students in what was quickly developing into an armed insurrection.

Emperor Ferdinand I was forced to '*give-in*' to the demonstrators demands and, despite his initial refusal, he ended up dismissing the German Austrian Chancellor Klemens von Metternich (1773-1859) who had dominated Austrian politics from 1815 until 1848. The dismissed Chancellor decided to go into exile in Britain. A few months later, as the uprisings continued and after the bloody clashes, Emperor Ferdinand I was forced to abdicate his throne in December 1848 and pass the reigns on to his nephew Franz Joseph I (1830-1916).

During the months following the March uprisings of 1848 in Vienna and continuing into 1849 demonstrations and uprisings demanding new Constitutions, Constitutional Assemblies, democratic reforms, bills of rights, better working conditions, were commonplace in other German States such as Bavaria, Baden, the Palatinate, Rhineland, Saxony and Prussia.

It took several years until the '*General German Workers' Association*' (in German '*Allgemeiner Deutscher Arbeiter-Verein*', with the acronym ADAV) was finally formed in 1863 emerging as

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a political party operating within the context of democratic electoral politics and focusing on the advancement of the interests of the German working classes.

The '*Social Democratic Workers' Party*' (the title in German is '*Sozialdemokratische Arbeiterpartei*', with the acronym SDAP) came into existence in 1869 and, a handful of years later, the two combined forces in 1875 forming the '*Socialists Workers Party of Germany*' (the German title is '*Sozialistische Arbeiterpartei Deutschlands*' and the acronym SAPD). In 1890 the SAPD was renamed as '*Social Democratic Party of Germany*' (the title in German is '*Sozialdemokratische Partei Deutschlands*' and the acronym is SPD). The SPD political party has played, and continues to do so today, a significant role in German politics existing under the same full name and using the same acronym.

We will make a parenthesis at this point relating to SPD and its political stance following the German National elections of September 2017 which resulted in a 'Hung Parliament' and the inability of Chancellor Angela Merkel to form a national Government. SPD which had participated in Chancellor Merkel's previous Government at the September 2017 elections suffered serious losses and decided to distance itself from Merkel's CDU party. While this book was written, in the Spring of 2018, acting under pressures from various circles aiming to halt socio-economic deterioration due to political instability SPD conceded to form, for the second time in a row, a new 'Great Coalition' Government (in German, 'Grosse Koalition') with the Chancellor Angela Merkel's party CDU.

Returning to the events developing in the 19th century, as industrialization was progressing in Germany and the working classes were growing in numbers, so were their disputes and grievances for unfair treatment by factory owners fuelling the rapid growth of socialism.

Between 1878 and 1890 Germany enacted a series of the so-called '*anti-socialist laws*' which were supported by Otto von Bismarck (1815-1898) serving during that time as the First Chancellor of the German Empire (1871-1890). Bismarck had an expressed '*aversion*' for Socialism which his compatriots Karl Marx and Friedrich Engels were promulgating in a variety of activities and publications including their historic '*Communist Manifesto*' of 1848.

From a broad spectrum of interesting books focusing on Otto von Bismarck's life and work as a towering German politician I suggest to my readers to consult Werner Richter's book (1965) titled '*Bismarck*' and Edgar Feuchtwanger's book (2002) also titled '*Bismarck*'.

Considering socialism and the socialists as inimical to and threatening the survival of the newly formed, unified German Empire, Bismarck tried to subdue the Social Democratic Party. Aiming to succeed in his efforts Bismarck introduced a series of legislative Acts assisting the working classes. These legislative Acts aimed to successfully appease the workers fears as

they related to job security, to working men's concerns with health and disability assistance and to expectations for State supported old age pensions.

The German State Laws concerning the Nation's working classes' '*Social Welfare*' introduced by Bismarck are considered as pioneer Legislative actions and indeed they came to characterize the German social welfare system well into the 20th century. During their enactment, catching fully the core '*raison d'être*' of their genesis they were termed both by supporters and opponents as a form of '*State Socialism*' (in German '*Staatssozialismus*').

In contrast to the so-called '*State Socialism*' Laws, many other Laws forbidding the establishment, as well as activities and operation of all socialist workers trade Unions were kept in effect until 1890 when Bismarck resigned from his position as the First Chancellor of Unified Germany. Later those Laws progressively weakened within the span of several years.

The '*Free Association of German Trade Unions*' also referred to as '*Free Association of German Unions*' or '*Free Alliance of German Trade Unions*' was established in 1897 in the city of Halle and it aimed to play the role of a much needed but non-existent yet umbrella organization bringing together the vast numbers of the local type of German Unions.

Currently in Germany '*The German Federation of Trade Unions*' (in German '*Deutscher Gewerkschaftsbund*' with the acronym DGB) is the largest umbrella organization made up of eight different Unions which cover many of the country's industrial and public sectors.

Closing this brief glimpse at German Unionism I would suggest to interested readers Angela Vogel's (1977) book '*Der deutsche Anarcho-Syndikalismus: Genese und Theorie einer vergessenen Bewegung*' (in German) as a rich source for more relevant information.

8.4 UNIONISM IN FRANCE

I will start this section calling my readers attention to the rather interesting fact that little has been written and published on French Unionism originally in the English language and little has been translated in English from relevant works published originally in French.

William H. Sewell, Jr in the introduction of his book (1980) titled '*Work and Revolution in France – The Language of Labor from the Old Regime to 1848*' has noted that:

"...skilled artisans, not workers in the new factory industries, dominated labor movements during the first decades of industrialization. Whether in France, England, Germany or the United States; whether in strikes, political movements, or incidents of collective violence, one finds over

and over again the same familiar trades: carpenters, tailors, bakers, cabinetmakers, shoemakers, stonemasons, printers, locksmiths, joiners, and the like. The nineteenth-century labor movement was born in the craft workshop, not in the dark, satanic mill.’ (p.1)

Socialist and communist ideologies along with less significant leftist tendencies existed throughout the end of the 18th and the middle of the 19th century in France. Such tendencies were subdued by the historic *Chapelier Law of 1791* (in French *‘Loi le Chapelier 1791’*) which, excluding a brief interval from 1848 to 1851, lasted until 1864. The Law was repealed by Napoleon III when he accepted the *‘Ollivier Law of 1864’* (in French *‘Loi Ollivier 1864’*) which was named after its proponent Emile Ollivier.

The *‘Chapelier Law of 1791’* passed by the Revolutionary National Assembly formed by the National Revolution of 1789, adopting ‘free enterprise’ as the norm, banned the activities of organized *Guilds* and prohibited all strikes placing at the margin of illegality the so-called *‘Compagnons du Tour de France’*. This was an organization made up by craftsmen and artisans which had its origins in the middle ages. The organization required its members to travel around France spending the preset time of six months to a year in specific locations. As they would be living and working in these locations the Organization’s members were provided with designated housing and hence the derivation of its name (the Organization’s title should not be mixed with the globally famous *‘Tour de France’* cycling competition).



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The General Confederation of Labor (in French: *Confederation General du Travail*, with the acronym CGT) was founded in 1895 emerging from the merger of the *Federation of Labor Councils* and the *National Federation of Trade Unions*. The new Confederation harbored both the socialists and their socialist ideologies and the so-called anarcho-syndicalists (who proposed direct action and strikes by the working classes aiming to abolish the capitalist order along with the State and establish the Workers Reign).

Bernard H. Moss in his book (1976) titled '*The Origins of the French Labor Movement – The Socialism of skilled Workers 1830 -1914*' brings forth a sociological, political and economic reality, namely the formation of a skilled proletariat which, as he highlights in the paragraph below, has been overlooked by Industrialization historians and social observers,:

“The French labor movement arose not among factory workers, the unique product of the industrial revolution, but among skilled craftsmen engaged as wage earners in small scale capitalist production... Commonly known as artisans, these skilled wage earners not only outnumbered factory workers, but remained the primary source of capital accumulation through most of the century. Besides creating factory workers, industrialization also multiplied the number of skilled workers needed to supply expanding markets with consumer and luxury goods, to provide housing and public facilities in expanding cities, and to outfit and maintain the new industrial machinery.” (p.8)

9 TSARIST RUSSIA AND THE BOLSHEVIK REVOLUTIONS

From 1613 until the abdication of Tsar Nicholas II after the successful March 1917 and especially the October 1917 Bolshevik Revolutions, the vast Russian Empire was ruled by *'The Romanov Dynasty'* which was also known as *'The House of Romanov'*. (It should be noted in passing that 'Tsar' is a title also appearing in the form of Czar which might have etymological roots in the Roman title of Caesar).

9.1 TSARIST RUSSIA

Nikolai Aleksandrovich Romanov, was born in a suburb adjacent to St Petersburg in May 1868 as the oldest son of Tsar Alexander III. When Tsar Alexander III died in 1894, Nikolai, who was only 26 years old and very inexperienced, succeeded his father to the Imperial Throne in November of the same year; he was crowned as Tsar Nicholas II (or Nikolai II) in Moscow in May 1896. Before his enthronement he married his fiancé Princess Alix of Hesse (a granddaughter of Queen Victoria of England) who, as tradition demanded, converted from Lutheranism to Russian Orthodoxy and was renamed Alexandra Feodorovna.

Nikolai and Alexandra had four daughters before their fifth child, finally a son named Alexei, came to the world. The Romanov tradition according to the relevant semi-Salic law required a male to succeed a male in the throne. Prior to Alexei's birth, the younger brother of Nikolai, Grand Duke Mikhail Alexandrovich, stood in the succession line for the Imperial Russian Throne.

The birth of Alexei eased the worries of succession to the Throne of Nicholas II but the young prince was burdened with the problematic medical condition of *'hemophilia'*. Due to this medical condition the young prince was continuously under the threat of losing his life as a result of even a minor bleeding incident. Indeed when such an accident did take place while the family was on vacation in Poland, a *'savior'* made his appearance in the person of a Siberian monk named Grigori Rasputin. According to some Historians, Rasputin ultimately played what has been described as *a curious role* in the Palace and may have somehow contributed to the collapse of the Romanov Dynasty.

The lack of experience of Tsar Nicholas II in governing the vast Russian Empire was even further exacerbated by his character and personality type. He has been described as overtly polite, somewhat autocratic, although not dictatorial, and unable to force upon Ministers

and Associates his will and his style of governing. The combination of lack of experience and idiosyncrasy of Tsar Nicholas II, gave the chance to Tsarina Alexandra to assert her dominance in their personal relationship indirectly re-enforcing the Tsar's autocratic style.

It has been noted by various chronographers, biographers and Historians that Nicholas II did not trust his Ministers, despite the fact that he would read carefully their reports to Him and it had become widely known that he was not able to run the Government by himself.

At the beginning of the 20th century and specifically in 1904 Tsar Nicholas II attempted to conquer Manchuria and incorporate it to the Russian Empire. His actions lead to a War with Japan in which the Russian Armed Forces were subdued by Japanese superiority. The War losses were dramatic on both sides but ultimately the Japanese prevailed. A peace treaty was signed in September 1905, not in Japan or Russia but in the State of Maine, USA where the American President Theodore Roosevelt acted as the mediator between Russia and Japan.

Russia's attempts to catch up with other European Nations in their industrialization lead the Tsar to a hurried imposition of rapid industrialization in a primarily agricultural society and economy with vastly expanding population growth. The rush to quick industrialization resulted in repeated problems of scarcity of food supplies which were exacerbated by the poorly conducted '*Manchurian Campaign*' in which Russia suffered embarrassing defeat.

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Scarcity of food supplies was the cause of an initially peaceful march of peasants and their families in January 1905 to the Winter Palace to petition the Tsar. The crowd was brutally repelled by the Tsarist guard which opened fire resulting in dozens of dead and wounded in what has since been characterized in Russian History as the *'Bloody Sunday'*.

In the capital city of St Petersburg the masses rioted demanding the introduction and establishment of a series of social reforms. The Tsar soon lost whatever had been left of the *'good relationships'* he had with his people. Opposition was reinforced and the popular demands resulted in the introduction of a Constitution and the creation of *'The Duma'* which was a rudimentary form of Parliament with members elected by and from the people.

The *'Duma'* gave the chance to middle class personalities to be elected to the Parliament while the Tsarist *'Secret Police'* was in full but covert operation prohibiting radical persons and revolutionaries from being elected and gaining membership in the *'Duma'*.

Shifting at this point our focus of attention from developments within Russia to broader developments in the European continent. It should be noted that during the first decade of the 20th century, European political and military realities served as the impetus leading to the formation of international alliances which have been characterized by the term *'Entente'*.

The first *'Entente'* of the 20th century, historically known as *'Entente cordiale'* of 1904, bonded in an informal alliance the United Kingdom of Great Britain and Ireland with the French Third Republic.

The second *'Entente'* was signed in 1907 between Great Britain and Russia. The third *'Entente'* came as the aftermath of the previous two ultimately uniting in a broader alliance Great Britain, Ireland, France and Russia.

The First World War erupted in August 1914 originally between the alliance of the *'central powers'* (encompassing Germany and Austria-Hungary which by 1915 were joined by the Ottoman Empire and Bulgaria) against France and Britain in the Western European Front and Russia in the Eastern European Front.

Meanwhile, in August 1914 Tsar Nicholas II decided to change the name his country's Capital city from *St Petersburg* to *Petrograd* ending the Germanic reference and baptizing it in a pure Russian etymology. A few years later, in 1918 Lenin decided to abandon Petrograd and made Moscow the Capital of Russia. It should be noted that after Lenin's death in 1924 Petrograd was renamed as *Leningrad*. The city of Leningrad became a symbol of Russian resistance during World War II when the Nazi siege lasted for 900 days. The final count of Nazi offenses and Russian defenses amounted to almost a million civilian casualties from

bombardments and starvation. The historic city of Leningrad was renamed assuming its original name as *St. Petersburg* in 1991 following the collapse of the U.S.S.R.

The spark that ignited the flames which engulfed the World in an unprecedented large blood bath even known to Humanity up to that time, was considered to be the assassination in the city of Sarajevo on June 28 1914, of Archduke Franz Ferdinand of Austria and his wife Sophie, the Duchess of Hohenberg. The Archduke, who was in line to be the heir to the Austro-Hungarian throne, at that time occupied by his Uncle Emperor Franz-Josef, along with his wife were assassinated in the city of Sarajevo by the Bosnian Serb Gavrilo Princip.

When the First World War ended with the defeat of Germany and the Austria-Hungary Empire and their Allies on 11 November 1918, Europe counted over forty million casualties among which almost eighteen million were killed and 23 million were seriously wounded. Among the dead two thirds were military personnel and one third were civilians.

9.2 THE BOLSHEVIK REVOLUTIONS WITH LENIN, TROTSKY, STALIN AS THE THREE PROTAGONISTS

In 1917 the First World War continued to devastate the economies and lands of the European continent causing, simultaneously, millions of dead and wounded uniformed men as well as civilians. During that same year 1917, Russia experienced the two Bolshevik revolutions which did not only change the socio-political realities in that country but had significant repercussions in the political, social and economic realities of Europe and the World during the remaining seven decades of the 20th century.

The first Bolshevik revolution occurred on February 24 (or March 8th according to the **new** calendar), toppled the Czarist Regime while the second Revolution on the 25th of October (or 7th of November according to the **new** calendar) brought the Bolsheviks into power. <https://www.britannica.com/event/Russian-Revolution-of-1917> (Retrieved February 25, 2018).

To those readers of my book who might be searching for an authoritative as well as extensive and in-depth account of the Bolshevik Revolutions of 1917, which ultimately resulted in the establishment of U.S.S.R. (Union of Soviet Socialist Republics), I would suggest Bertram Wolfe's classic book (1948) which bears the appropriate, characteristic title: *Three Who Made a Revolution: A Biographical History of Lenin, Trotsky and Stalin*.

Wolfe, a political scientist-historian, knew personally Trotsky and Stalin and his book is a fascinating study of the Bolshevik Revolutions and the three persons who held critical roles as protagonists in the birth of the Union of Soviet Socialist Republics, namely Vladimir

Ilich Ulyanov known as *Lenin*, (1870-1924), Leon *Trotsky* – who was born as Lev or Leon Davidovich Bronstein - (1879-1940) and Joseph Vissarionovich *Stalin* (1878-1953).

To those wishing to learn more about the Bolshevik Revolutions I would suggest Anthony Sutton's (1975) book titled '*Wall Street and the Bolshevik Revolution: The Remarkable True Story of the American Capitalists Who Financed the Russian Communists*'. The book is part of a trilogy written by the British born economist-historian Antony Sutton who taught and worked as a researcher and writer in America where he passed away. Sutton with this book stirred much criticism against his theses but provided additional information and a very much different interpretation to the historic events of the establishment of the Union of Soviet Socialist Republics and the bloody overthrow of the Czarist regime by the Bolsheviks.

Sutton exposed the hard to accept fact that International financiers, as capitalists, could have any sort of affiliation with revolutionary socialists-Marxists. He proceeds to publicly present his evidence and arguments in verifying that some New York International Bankers did help the strengthening of Bolsheviks in Russia during the 1920's. Sutton has stated *that*:

'Our story postulates a partnership between international monopoly capitalism and international revolutionary socialism for their mutual benefit. The final human cost of this alliance has fallen upon the shoulders of the individual Russian and the individual American... Where the United



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States could have exerted its dominant influence to bring about a free Russia it truckled to the ambitions of a few Wall Street financiers who, for their own purposes, could accept a centralized tsarist Russia or a centralized Marxist Russia but not a decentralized free Russia..." (Page 19)

Sutton presented a series of official documents related to Trotsky's short stay in New York City where he obtained an American passport (alluring to intervention of U.S. President Woodrow Wilson) with which he managed to return to Petrograd. He also refers to the possible assistance of Germans to Lenin who, after almost two decades of living away from Russia, returned to Petrograd in 1917. Lenin and Trotsky were able to participate in the Bolshevik take-over of the Russian State and finally establish their reign over Russia.

In this respect an article published in the New York Times dealing with Lenin as a Bolshevik revolutionary living in exile away from Tsarist Russia, is especially interesting. In his '*opinion*' article titled '*Was Lenin a German Agent?*' published June 19, 2017 in the New York Times Sean Mcmeekin, professor of History at Bard College, allures to the possibility that Lenin did have the support of German High Command. The German's aim was to topple the Tsarist Regime as Russia constituted the weakest member and break up the Alliance of the so-called third '*Entente*' between Russia, Britain, Ireland and France. <https://www.nytimes.com/2017/06/19/opinion/was-lenin-a-german-agent.html> (Retrieved May 11, 2018).

Professor Mcmeekin is categorical in his assessment of Lenin's role against the Tsar and the Kerensky provisional Government of Russia. He emphasizes that while Lenin in his own mind could be considering his tactical maneuvers as serving the higher cause of Communism and not the German Imperial Government, hard evidence recently uncovered verifies that in 1917 Lenin did not turn down but did accept the Germans' logistical and financial support.

Mcmeekin brings forth the historic fact that while Lenin and other Bolsheviks were in trial in August 1917, Alexander Kerensky, the provisional Government's Prime Minister suspecting that General Lavr Kornilov was plotting a right-wing counter coup granted amnesty to most of the Bolsheviks (except Lenin). The amnesty permitted the Bolsheviks to rearm and acquire the weapons they used to topple him a few months later with the October 25th (November 7th by the **new** calendar) second and victorious Bolshevik Revolution.

The Bolsheviks, shortly after they gained control of the country, aimed to realize the Marxist program of abolition of private property, the establishment of a centralized State owned and controlled means of production and introduction of the five year economic plans. This was the first time, and the first instance in modern history, when the '*Marxist Utopia*' of a classless society where the Central Government controlled everything as it engaged in planning, organizing and coordinating all economic, social and political activities for the benefit of the Russian people became a reality.

Russian Workers and Trade Unions, which in Tsarist times, prior to the Bolshevik take-over of the Russian State, had worked toward achievement of better working conditions and better compensation for their members came under the auspices of the Central Government controlling the country. Subjugation of the Workers and Trade Unions to the Central Russian Government dismayed many Union leaders who felt that Unions were no longer working for the workers interests but acted as a *'management long arm'* ensuring the application of the directives of the Communist Party.

The Bolsheviks, especially in the four decades under the supreme rule of Joseph Stalin, had created and maintained numerous *'forced labor worker camps'* throughout the USSR. This shocking reality became known to the Western Capitalist World with the publication in 1973 of the *'Gulag Archipelago'* authored by Russian novelist and historian, Aleksandr Solzhenitsyn (1918-2008). Solzhenitsyn was awarded the 1970 Nobel Prize for Literature, *'for the ethical force with which he has pursued the indispensable traditions of Russian Literature'*. https://www.nobelprize.org/nobel_prizes/literature/laureates/1970/ (accessed May 23, 2018)

It should be noted that in the title *'Gulag Archipelago'* the term *'Gulag'* is the acronym in Russian for the *'Glavnoye Upravleniye ispravitelno-trudovyh Lagerey'* or, in a free English translation, *'The High Administration of Corrective Labour Camps'*. The term *'Archipelago'* derives etymologically from the Greek word *'ἀρχιπέλαγος'* denoting a sea with a large number of small and large islands. Solzhenitsyn chose this title as he wanted to emphasize the fact that there were countless such camps dispersed through the territories of the Union of Soviet Socialist Republics. The author, was later known, had gained personal experience of what life and work in these camps were like having served some time in one of them.

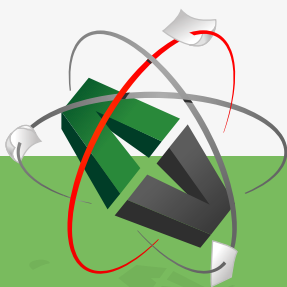
Utopia, acquired in a metaphorical sense *'bones and flesh'*, and was no longer the subject of a philosophical treatise as Plato's *Republic* or of a novel as the *Utopia Island* of Thomas More but an observable reality. The Union of Soviet Socialist Republics (U.S.S.R.) came into existence in December 1922 when the relevant Treaty was voted after the Bolsheviks had gained full control of power. U.S.S.R. was formally dissolved in December 1991.

The experiment of establishing an economic and socio-political *Utopia*, a 'new world' as Karl Marx had envisioned it finally failed.

Wrapping up this chapter it should be noted that Lenin, having survived an assassination attack, suffered a stroke in 1923 and died in 1924. In the years that followed Lenin's death, Stalin and Trotsky struggled for control of the Communist Party and the Central Government. Ironically of the remaining two of the original *'three'* who made the revolution between 1925 and 1929 Trotsky was stripped of all his State appointments and his party membership and was ultimately driven to exile leaving Joseph Stalin in full command.

Trotsky spent four years in Turkey residing at the *'Prinkipo Island'* of the Bosphorus, then lived for two years in France and for another year in Norway. In 1936 he moved to Mexico, he survived a Stalin ordered assassination in 1939 but he was finally murdered in August 1940 by the Spanish Communist Ramon Mercader who, as a guest in Trotsky's residence, attacked and fatally wounded him with an ice-axe. Mercader served a 20 year prison sentence, was decorated by Stalin and later declared *'Hero of the Soviet Union'*. Released from the Mexican prison in 1961 he was welcomed in Castro's Cuba where he died in 1978.

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10 THE GREAT DEPRESSION AND THE 'NEW DEAL' PROGRAMS IN AMERICA

Europe, North and South America, Africa and the Far East countries operating with capitalist economies were *'shaken'* to various degrees by the two Bolshevik Revolutions of 1917 which toppled the Czarist Regime introducing the first *'socialist-communist'* type of economic and political organization first in Russia and later in the group of Nations which, with Russia in leading role came to comprise the *Union of Soviet Socialist Republics* (USSR).

During the 1920's Russia, after the death of Lenin and the progressively diminishing strength of Trotsky in the Central Communist Party, slowly and steadily came under the absolute control of Joseph Stalin. The Bolsheviks struggled toward the introduction of large scale industrialization operating within the socio-political and economic philosophy dictated by the reigning Communist Party which, having subjugated the Unions, faced no resistance.

the United States of America, having entered World War I on April 6, 1917 found itself on the winning side when the War officially ended on November 11, 1918. America, entering the decade of the 1920's as a *'War winner'*, was experiencing what in sociological, political and economic science parlance has been referred to as *'the roaring twenties'*.

Robert S. McElvaine in his book (1984) titled *'The Great Depression: America 1929-1941'* describing the decade of the 1920's has written:

"...It is difficult to think of the time as anything but the Roaring Twenties, the years of flappers, the Charleston, bathtub gin, petting parties, and the Stutz Bearcat. These were the days when Americans withdrew from the world and went into an orgy of self-indulgence. The decade has had more titles applied to it than any other similar time span in our history: The Jazz Age, The Prosperity Decade, The New Era, The Lost generation, The Incredible Era, The Era of Excess, The Era of Wonderful Nonsense, The Dollar Decade, The Ballyhoo Years, and the Dry Decade." (p.13)

Searching for a perspective on the *'roaring twenties'* from a literature point of view a classic description of this decade can be found in F. Scott Fitzgerald's novel *'The Great Gatsby'*. Published originally in 1925, the book has won numerous awards, has been acclaimed as one of America's best novels of all epochs and has been staged in several theatrical shows and four film adaptations. The most notable film adaptations have been the 1974 version starring Robert Redford and the 2013 version starring Leonardo DiCaprio.

The 1920's for the American society was a decade that saw immense rise in consumer spending as personal and family incomes were rising. Millions of Americans bought 'ready-made' clothing, home electric appliances such as refrigerators, radios and even automobiles.

Mass produced low cost Ford 'Model-T' automobiles easy to acquire as Bankers were lending generously (in 1924 Ford Motor Company was selling them for \$260) flooded the Nation's highways as almost one in every five families owned a car. On the civil rights front, American women who had fought for many decades for their right to vote were vindicated on August 18, 1920 the day the 19th Amendment was ratified giving women the right to vote.

Accounts of the exuberance and the excesses of the '*roaring twenties*' constitute the subject matter of a number of books. When your schedule will allow it my recommendation to you, readers of my book, would be to look at Nathan Miller's book (2004) titled '*The New World Coming: The 1920's and the Making of Modern America*'; Frederic Lewis Allen's (1931) book titled '*Only Yesterday: An Informal History of the 1920's*' and Preston William Slosson's (1930) book titled '*The Great Crusade and After: 1914-1928*'.

As the decade of the 1920's was approaching its end, a dozen years after the Bolshevik Revolutions of 1917, on Thursday October 24, 1929 some dramatic events occurred. This particular day, which has ever since come to be known as '*Black Thursday*', the New York Stock Exchange (NYSE) which derives its name as 'Wall Street' from its location on Wall Street in New York City experienced an unprecedented '*sell-out*' of stock shares. In only one day, or to put it in proper terminology in only one trading session, close to almost 13 million shares were unloaded.

As the panic of an unprecedented massive '*sell-out*' engulfed the NYSE, on Tuesday October 29, 1929, some 16 million shares were '*dumped*' ending up as worthless sheets of paper and henceforth that has come down in history characterized as '*Black Tuesday*'.

John Kenneth Galbraith's (1954) book titled '*The Great Crash - 1929*' has gained a special place as a classic treatise in analyzing and presenting the *how's and whys* of the NYSE crash that crippled the American economy and then dramatically affected the whole World. The following paragraph from Galbraith's book draws a vivid picture of the 1920's:

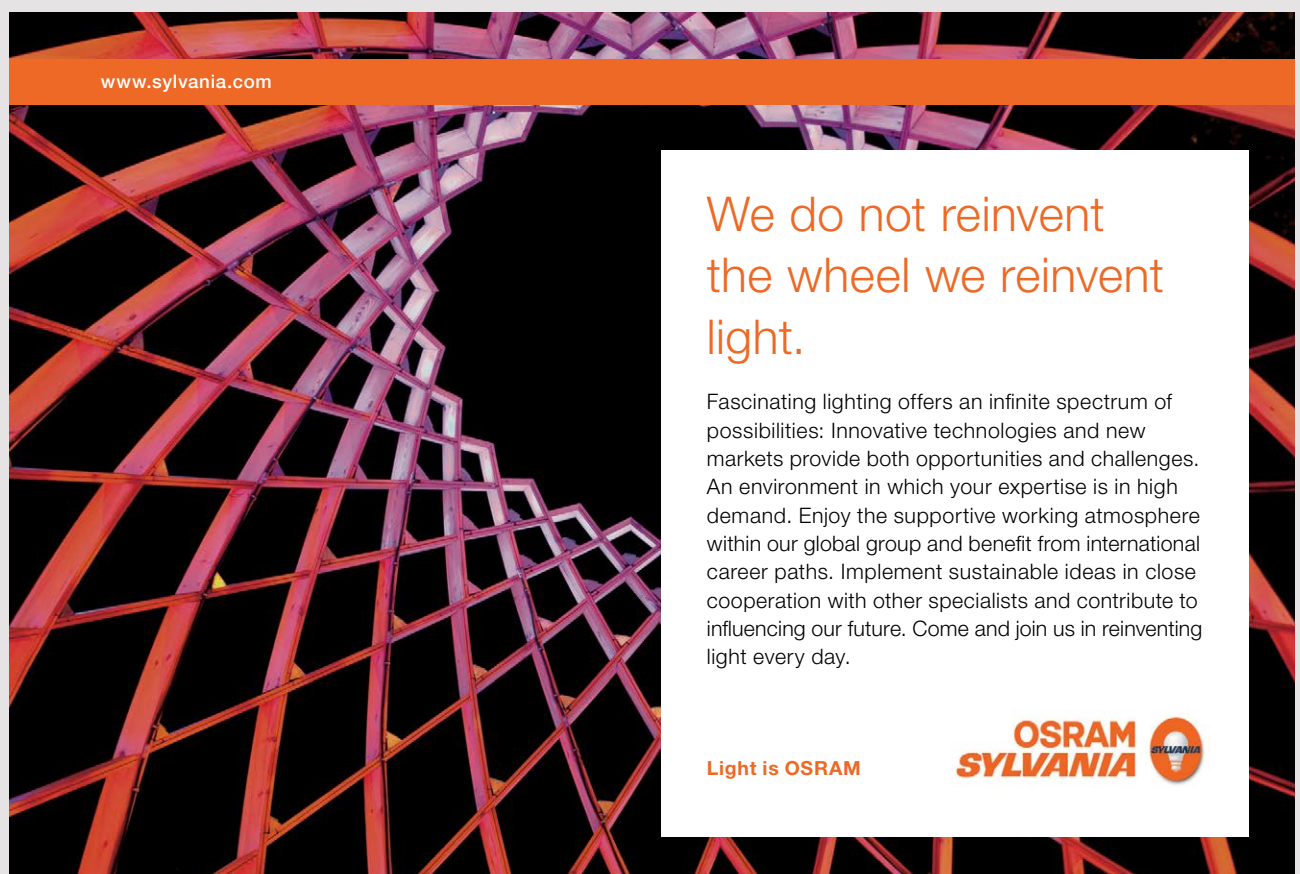
"...The twenties in America were a very good time. Production and employment were high and rising. Wages were not going up much but prices were stable. Although many people were still poor, more people were comfortably well-off, well-to-do or rich than ever before. Finally American capitalism was undoubtedly in a lively phase. Between 1925 and 1929, the number of manufacturing establishments increased from 183,900 to 206,700; the value of their output rose from \$60.8 billion to \$68 billion...In 1926 4,301,000 automobiles were produced. Three

years later, in 1929, production had increased by over a million to 5,358,000... Business earnings were rising rapidly and it was a good time to be in business.” (p. 2)

The ‘Great Depression’ engulfed the economy, and the people of The United States of America in what has been described as a historically unprecedented drama. Three years after the October 1929 ‘melt-down’ of the New York Stock Exchange the economic, social, humanitarian and political problems that evolved from the ‘Great Crash’ had reached gigantic levels.

As a result of the financial markets’ ‘melt-down’ almost one fourth of America’s work force was laid off. Wages for those still employed came to be just a fragment of pre-1929 levels. Banks were failing and closing in an endless domino style collapse. These were the economic aspects of the financial crash. The human profile of the crash claimed, through the act of suicides tens of thousands of lives; furthermore famine became a dire reality for individuals and families from the Eastern-Atlantic States to the Pacific States of the USA.

The decade from the 1929 NYSE crash and the start of World War II in 1939 covers the years of the *Great Depression and the New Deal*. Some writers use the plural ‘Deals’ in order to highlight the successive introduction of major economic programs and social reforms introduced by FDR and his Government in three stages. Specifically, during his first 100



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days in office, then during the years 1933 and 1934 and, ultimately from 1935 to the start of World War II.

The historically unprecedented four (4) successive elections of FDR to the Presidency of the United States of America have been covered from a variety of vantage points amassing a plethora of books in the subjects of economics, sociology, political science, history, literature.

Again, for the readers of my book, especially the members of the interested general public and students who are not pressed by academic demands, when time will permit it I would suggest, among the numerous literature books covering the *Great Depression* and the *New Deal* period to look at the following: *The Grapes of Wrath* by John Steinbeck, *The Day of the Locust* by Nathaniel West, *Appointment in Samarra* by John O'Hara and *God's Little Acre* by Erskine Caldwell. I leave to your personal preference the choice of one or more of social sciences books which deal with those historic for the USA and the World times.

Following the Wall Street Crash, the Republican Administration headed by President Herbert Hoover engaged itself, but to no avail, in a series of measures aiming to halt the down drift course of the American economy and the ensuing social and political problems. Describing the bleak state of affairs, William E. Leuchtenburg in his book (1963) titled *Franklin Roosevelt and the New Deal* has written:

"In the three years of Herbert Hoover's Presidency, the bottom had dropped out of the stock market and industrial production had been cut more than half. By 1932...Many lived in the primitive conditions of a preindustrial society stricken by famine." (p.1)

In the 1932 Presidential Elections Franklin Delano Roosevelt (1882-1945), historically referred to by his initials as FDR, was concluding his term of service as Governor of the State of New York (January 1929 to December 1932). FDR as the candidate of the Democratic Party won the elections and on March 4, 1933 was sworn-in as the 32nd President of the USA.

As relevant news articles in popular Mass Media and academic textbooks in the social sciences describe it, the dramatically deteriorating economic and social realities were creating a sense of fear among the American people. As this unprecedented and grossly upsetting sense of fear was spreading across the USA, FDR recognizing its detrimental impact decided to address them head-on in his inaugural speech stating in what has since become an adage:

"First of all, let me assert my firm belief that the only thing we have to fear is fear itself."

FDR took office as his country continued to sink into a seemingly uncontrollable nadir in its economic history. As we noted above, successfully concluding his first term in office FRD

went on to win the next 3 consecutive Presidential elections. Franklin Delano Roosevelt was the first and last American President to serve 4 terms in Office.

Subsequently *the 'Twenty Second Amendment' (XXII)* to the American Constitution, introduced in 1947 and ratified in 1951, limited the Presidency to two terms. A note should be made at this point, informing those unfamiliar with FDR's health problems. After he had suffered a neurological disease in 1921 leading to paralysis from the waist down, FDR was bound to a wheel chair until he passed away on April 12, 1945 while serving his 4th term.

The New Deal is a historic term covering a series of programs and projects instituted by FDR, his Administration and the US Congress. They were initiated as soon as he settled in the White House as the 32nd President of the USA. Indeed several Acts introducing innovative economic and social programs were passed through Congress or introduced by Presidential Decrees during FDR's first *'one hundred days'* in Office.

As Kenneth T. Walsh wrote in his February 12, 2009 article in the US News and World Report titled *'The First 100 Days: Franklin Roosevelt Pioneered the 100-Day Concept'*, FDR called Congress into special session and kept it there for the next 3 consecutive months passing incessantly a series of social, economic and job creating Bills. <https://www.usnews.com/news/history/articles/2009/02/12/the-first-100-days-franklin-roosevelt-pioneered-the-100-day-concept> (Retrieved May5, 2018)

As mentioned above, FDR was sworn in on March 4th, 1933 and the next day he declared a four-day bank holiday to stop people from withdrawing their money from shaky banks. On March 9, Congress passed Roosevelt's Emergency Banking Relief Act (ABRA), which reorganized the banks and closed the ones that were insolvent. In his first radio broadcasted *'fireside chat'* three days later, the President urged his fellow Americans to put their savings back in the banks, and by the end of the month almost three quarters of the Banks reopened.

The Glass-Steagall Act of 1933 created the FDIC (Federal Deposit Insurance Corporation) which continues to exist today, ensuring at that time the protection of Bank deposits to the sum of up to \$5,000. This Act reassured the Americans, myriads of who had seen their life savings disappear during the dramatic events of the 'Market Crash', that the safety of the money they deposited into Banks was henceforth guaranteed by the Federal Government.

The programs introduced by President Franklin Delano Roosevelt, known by his 3 name initials as FDR, also came to be known in *'Alphabet'* terms. Listed below are just a few of the most notable Acts which introduced the creation of economic and social projects. All of them aimed to pull America out of the Depression and to ease the lives of millions of Americans suffering as jobless and, in many more dire cases, having their families face sheer starvation.

TVA, the Tennessee Valley Authority was a Federal public power corporation aimed to develop the resources, create and provide low cost electric power to communities across the river which spans the length of seven States, namely Tennessee, Alabama, Mississippi, Kentucky, Virginia, North Carolina, and Georgia (1933).

PWA, the Public Works Administration was a Federal Agency large scale public works construction Agency building Dams, bridges, tunnels, highways, airports, schools and hospitals (1933).

CWA, The Civil Works Administration aimed to create jobs on a Federal level (1933).

CCC, the Civilian Conservation Corps provided jobs for unemployed single males in conservation projects (1933).

FERA, the Federal Emergency Relief Administration channelled funds to the States helping them provide aid to the unemployed (1933)

NRA, the National Recovery Administration established codes for fair competition (1933)



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FSA and **SEC**, the Federal Securities Act required corporations to provide complete information of all stock offerings and made them liable for misrepresentations (1933) and the Securities and Exchange Commission supervised the stock market and eliminated dishonest practices (1934).

WPA, the Works Progress Administration (confused sometimes by its initials with PWA) aimed at providing jobs, as quickly as possible to unemployed in smaller scale building projects engaging jobless workers (1935).

NYA, the National Youth Administration provided job training to unemployed youth and part-time employment to needy students (1935).

SSA, the Social Security Administration was established on August 4, 1935 aiming to provide retiring workers with some retirement income after the age of 65; to provide workers losing their jobs for some weeks, while remaining unemployed, with unemployment compensation, provide aid to families with dependent children and aid to the disabled.

The Wagner Act established collective bargaining, protected the right of workers to join Unions and engage in collective bargaining with employers, and furthermore it established the National Labour Relation Board (NLRB) to hear testimony about unfair practices (1935).

FLSA, the Fair Labour Standards Act Established a minimum hourly wage and a maximum number of hours in the workweek on a Nation-wide scale, set rules for the employment of workers aged under 16 and banned hazardous factory work for those aged under 18 (1938).

An 'opinion' article bearing the main title '*FDR Saved Capitalism – now its Obama's turn*', with the sub-title '*We have to learn how to curb capitalism's excesses*' was published on November 24, 2008 in the Christian Science Monitor by Professor Robert S. McElvaine.

The following two paragraphs from this article given below will, hopefully, help my readers perceive both the main idea of FDR's '*New Deal*' programs and Acts in '*saving capitalism*' and at the same time, metaphorically, the '*ingratitude*' of '*saved capitalists*':

'A wealthy man in a fine suit and top hat fell into deep water. He didn't know how to swim and was on the verge of drowning. Hearing his cries, another man dived into the water and saved him as his top hat floated away. The man who had almost drowned regained his breath and, for a moment, seemed grateful. Three years later, though, he returned and denounced his rescuer for not saving his hat, too.'

That story is one that [Franklin D. Roosevelt](#) is said to have told describing what he had done for big- business men in 1933 when, in the words of Raymond Moley, a member of Roosevelt's [New](#)

Deal brain trust, "capitalism was saved in eight days." Those were the days.' <https://www.csmonitor.com/Commentary/Opinion/2008/1124/p09s01-coop.html> (Retrieved May 5, 2018).

FDR and his 'New Deal' programs undeniably aided America's economic recovery while they also healed the socio-political wounds helping the USA emerge as the major force that played a crucial, according to many a protagonist, role towards the outcome of WW II.

Closing this chapter, I can anticipate a question many of the readers of my book would pose, namely, given the economic and socio-political drama which the term 'Great Depressions' encapsulates, how was America 'saved' from a potential socialist-communist uprising? Choosing carefully from an impressive reservoir of existing relevant articles and books, I will refer my readers to an authoritative source providing a comprehensive answer.

The source of a well-documented answer to the legitimate-hypothetical question posed above is Seymour Martin Lipset (1922-2006) the American political sociologist. Lipset had been a socialist in his younger years before eventually moving to the right of the political spectrum becoming one of the most distinguished American 'neo-conservatives'.

The answer is given in the essay titled 'Why Socialism Failed in the United States' published October 2, 2000| in the *AEI Bradley Lecture Series* of the Conservative think tank based in Washington, D.C., namely the American Enterprise Institute for Public Policy Research (known by its initials as AEI).

Spending the time to read the whole article should prove a rewarding experience, but for those that will be satisfied with a brief summary paragraph, it should suffice to say in short as Seymour Martin Lipset states that there are many answers to this legitimate, pressing question. The answers include Ethnic and racial diversity, internal migration and immigration and two salient ones relating to cultural and religious reasons. The two reasons are America's strong sentiments of 'Antistatism' (the suspicion of the State in lawyers' terms) and 'Egalitarianism, individualism, antielitism and populism'. Furthermore the American Presidential System of election, unlike the Parliamentary systems of Europe, solidifies and perpetuates the two-party system of Democrats and Republicans minimizing any chances for success to a third party candidate for the Presidency.

It is true that the scope of activities and the number of Agencies of Federal Government of the USA were significantly enlarged during the 'New Deal' years. It is also true that ever since that historic period America has become more of a *Welfare State* than it was before the 'Great Depression'; the USA, however, continues to remain much less so compared to its neighbour Canada and some European States such as Sweden and the United Kingdom.

A brief Recap...

In part three the crucial socio-economic and political events which characterized the 19th and 20th centuries in Europe and the United States of America were presented. Emphasis was given to the Industrial Revolution, appearing first in the UK and then spreading through Europe and USA. The frequent inhuman working conditions were highlighted as they lead to the birth and growth of Unionism aiming to protect workers.


Special attention was paid to Russia and the Bolshevik revolutions which toppled the Tsarist regime and introduced, as a historical first, a socialist-communist type of State.

This part concluded with the characteristic events of affluence and then the collapse of the American, New York Stock Market (Wall Street) and the revolutionary introduction of the 'New Deal' programs as massive antidotes to the Great Depression experiences of the USA and its people


The life and work achievements of Frederick Taylor, Henri Fayol and Henry Ford will be presented in part four.

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**PART FOUR – TAYLOR, FAYOL & FORD
REVOLUTIONIZE MANAGEMENT
THEORY AND PRACTICE**

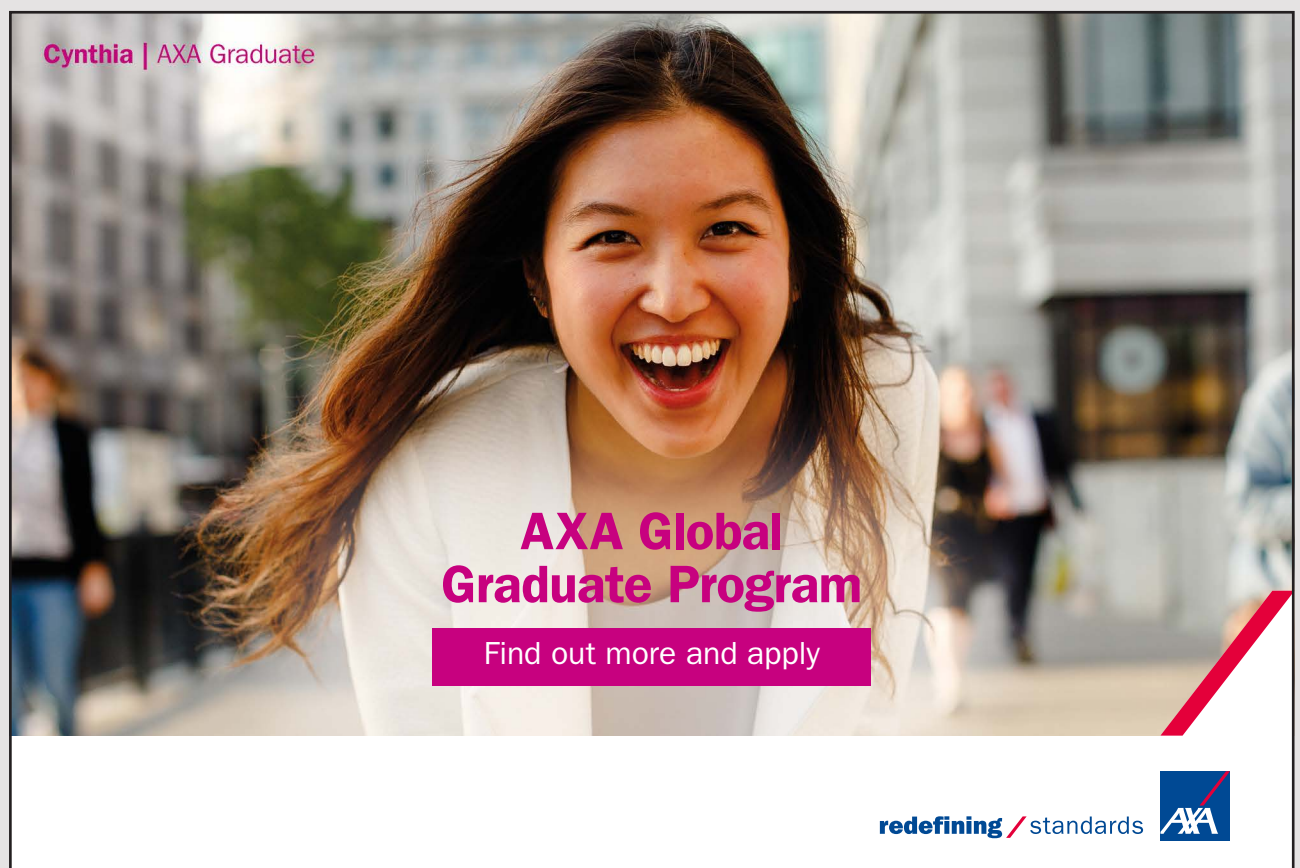
The fourth part of the book is devoted to and will focus on three men, three distinguished personalities, who with their life and work revolutionized management theory and management practice. These three men were the American mechanical engineer F. W. Taylor (1856-1915), the French mining engineer H. Fayol (1841-1925) and the American *farm-boy-industrialist* H. Ford (1863-1947).

Taylor's, Fayol's and Ford's life and work coincided with the Second Industrial Revolution that saw the use of electricity, oil and internal combustion engines in the processes of mass production.

11 FREDERICK WINSLOW TAYLOR'S 'SCIENTIFIC MANAGEMENT THEORY' ('TAYLORISM')

Frederick Winslow Taylor (1856-1915) was born to a Quaker family in Germantown, Philadelphia, Pennsylvania where his father was a well-established and successful lawyer. As an adolescent he enrolled at the Phillips Exeter Academy in New Hampshire and he excelled scholastically planning to follow in his father's footsteps and pursue a Law degree at Harvard University. Due to some problems with his vision his career plans were changed and moving to the nearby city of Philadelphia, he entered, as an apprentice, the world of manufacturing at the Philadelphia Enterprise Hydraulic Works.


Well-motivated in his pursuits and working methodically Taylor carefully carved his way upward the corporate ladder from the simple role of an apprentice to a well-respected and financially successful consultant in industrial engineering and corporate management.



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Taylor received (studying via correspondence) his BS degree from Stevens Institute of Technology of Hoboken, New Jersey which was the first American College specializing solely in providing tertiary level education and training focusing exclusively in the field of mechanical engineering.

Soon after his initial apprenticeship, Taylor worked as machine shop laborer at Midvale Steel Works quickly climbing career levels and ultimately becoming chief engineer of the company. He continued his career as general manager and consulting engineer for the Manufacturing Investment Company of Philadelphia and then joined Bethlehem Steel. Due to frictions with his fellow managers he left that company after just three years but in the meanwhile he was successful in creating one of the most profitable of his many patents.

Taylor's book '*The principles of Scientific Management*' (1911) was voted as one of the 25 '*Most Influential Management Books of the 20th Century*' by the Fellows Group of the Academy of Management. The full list where chronologically Taylor's book has the first place as the oldest one has been mentioned in a relevant article by Bedeian and Wren (2001).

Taylor was awarded the honorary degree of '*Doctor of Science*' by the University of Pennsylvania and became a professor at the Tuck School of Business at Dartmouth College.

Combining his practical experiences gained while working on the production floor, with his later experiences in management offices as well as his insights, Taylor formulated his theory of *scientific management* which historically is known and referred to as '*Taylorism*'.

Taylor introduced his ideas on scientific management breaking away from notions held at his time by his contemporaries', both practitioners and theoreticians, that industrial, assembly line type of production, does not lend itself to proper study, analysis and relevant evaluation of performance measured by set goals and realized end-results.

In essence, Taylor sought to and managed to put an end to the prevailing '*rule of thumb*' type of manufacturing introducing scientific methodology to the manufacturing process. He did not limit the utility, validity and applicability of his theory exclusively in the manufacturing process and in industry. Taylor contended that his theory could and should be easily and fruitfully extended to educational institutions as well as to public administration.

Taylor's 'scientific management' theory could be summarized to include four basic principles, namely:

1. *The introduction and development of a true science of industrial production management*
2. *The establishment of scientific methods for selection and placement of workers*
3. *Training, educating and preparing workers for their jobs using scientific techniques*
4. *Creating intimacy and friendliness in the cooperation of supervisors and workers*

'Taylorism' aimed to optimize the levels of performance of workers and machinery in the large scale production assembly lines resulting in improved productivity and, hence logically, improved profits. As we noted above, his theoretical scheme when applied to real life settings succeeded in ending the 'rule of thumb' production estimates providing management with realistic, objective and scientifically verifiable measures of their workers' productivity.

Using his analytic techniques, after careful observations on the production-manufacturing floors, Taylor proceeded to break down each worker's job to the most elementary forms thus minimizing skill requirements for each job and time requirements for training workers to perform the multiplicity of various tasks as required in the various production lines.

Taylor has been accused of viewing the individual worker as '*another machine*' in the production assembly line and, in essence, *dehumanizing* the human workforce. He was also accused of separating workers into '*efficient and inefficient*', or in a more vulgar form, in two categories, namely the '*bright*' and the '*stupid*' types of workers.

American Labour Unions considered Taylor's work and aims as simply contributing to maximize corporate profits. Furthermore, he was criticized for not stating clearly in his writings how workers who contributed to increased productivity would be awarded a '*fair share*' of increased corporate profits or claim their '*fair share*' share of accrued public recognition for raising and upgrading organizational efficiency in non-manufacturing areas.

11.1 THE CONTRIBUTIONS OF FRANK AND LILLIAN GILBRETH TO 'TIME-MOTION' TECHNIQUES

Taylor's techniques in measuring '*time*' needed for completing a special task or job was combined later on with the techniques developed by Frank and Lillian Gilbreth in measuring the '*motions*' needed for completing a special task or job. Ultimately the two merged into the '*time-motion*' studies which were then and continue today to be widely used in industry.

Working independently from Taylor in realizing their own theoretical approach to ascertaining worker productivity measuring task performance, the husband and wife team of Frank Bunker Gilbreth (1868-1924) and Lilian Evelyn Moller Gilbreth (1878-1972) laboured to find the proper means for optimizing worker production and raising productivity. The

Gilbreths research focused on the '*motions*' required by a worker in the process of completing a specific task or job.

By introducing the strategy aiming to the reduction of all *motions* involved in completing a manufacturing task to the lowest possible level, the Gilbreths introduced the elimination of unnecessary motions and proposed specific techniques of doing the same task with fewer motions.

Lillian Gilbreth who outlived her husband Frank who died in 1924 (she died in 1972) has been seen as a pioneer woman in the field of industrial engineering which was dominated by men. She received a Bachelor's degree in literature from the University of California and went on to receive a Master's degree in psychology from Columbia University. She was denied a PhD from the University of California in 1911 because of the technicality of not complying with '*residency*' requirements. She earned a PhD in psychology in 1915 from Brown University of Rhode Island. It has been historically noted that she was the first of all those involved in industrial engineering to earn a Doctoral degree.

For the readers of my book who are interested and curious further study in the ideological stance and theoretical constructs of Taylor and the Gilbreth couple will bring forth some challenging antitheses which have often time been overlooked in the hurried view of limiting



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the search for Taylor and the Gilbreth couple solely as the creators of *'time-motion'* studies and the originators of theoretical and applied perspectives in the birth of modern *'industrial engineering'*.

Going beyond Taylor's *'scientific management'* principles and application, it should be emphasized that the Gilbreths work contributed to the understanding of the individual workers psychological needs. Indeed Lillian Gilbreth holding the *'Doctor of Psychology'* degree engaged in lecturing activities at various American Universities and with her writings she distinguished herself becoming rightfully a pioneer in introducing the psychological perspective in the work place.

For those of the readers of this book interested in learning more about the Gilbreths and their work, among the many relevant books we would recommend Edna Yost's (1949) book titled *'Frank and Lillian Gilbreth: Partners for life'* edited by the American Society of Mechanical Engineers and the book co-authored by Frank and Lillian Gilbreth with the title *'Fatigue Study, the Elimination of Humanity's Greatest Unnecessary Waste'* published by Sagwan Press in 2018.

11.2 TAYLORISM, LENIN AND INDUSTRIALIZATION IN BOLSHEVIK RUSSIA

Of particular interest, coming as an international echo to American Unionists criticism of Taylor's theory, which would end up making owners richer by exploiting the additional *'sweat of workers'* in the Marxist sense, was Vladimir Lenin's initial ambivalence towards the value and the effects of Taylor's theories and his subsequent admiration of *'Taylorism'*.

Beissinger (1998) in his book titled *'Scientific Management, Socialist Discipline and Soviet Power'* notes Vladimir Lenin's initial scornful criticism of *Taylorism* from a purely Marxist viewpoint. He then presents Lenin's subsequent reversal and admiration of Taylor's theory in raising productivity and the gains to be made by its adoption and incorporation in Russian industrial production. Quoting Lenin Beissinger writes in his book:

'Taylorism under capitalism is directed against the worker, leading to greater pressure and oppression upon him, and limited, moreover, to the rational intelligent distribution of labor within the factory...If Taylorism could be redeemed from its enslavement to capital it would give thousands of opportunities to cut the work time of the organized workers by a quarter, providing them with four times as much well-being as now.' (Page 23)

Further evidence of Lenin's initial stand and his 180 degree turn is provided in Scoville's (2001) article titled '*The Taylorization of Vladimir Ilich Lenin*'. Scoville brings forth the fact that in his March 1913 article published in Pravda under the title '*A Scientific System of Sweating*' Lenin scorned the American engineer's 'scientific system' writing:

'The most widely discussed topic in Europe is the latest methods of exploiting the workers: It is sweating in strict accordance with all the precepts of science.' (Industrial Relations: A Journal of Economy and Society, 40 (4) pp 420-426)

As it turned out, a decade later, soon after the Bolsheviks took control of the Russian State but were unable to properly upgrade the industrialization processes of the Russian economy Lenin reversed his initial negative, scornful assessment and political position on '*Taylorism*'. Lenin claimed that in reality '*Taylorism*' would indeed be the proper scheme of achieving the Russian People's Central Government's efforts toward industrialization.

Wren and Bedeian, (2004) in their article titled '*The Taylorization of Lenin: rhetoric or reality?*' concluded that: *Lenin's advocacy of scientific management was a leader's rhetoric, a political expediency, and it would be misleading to connect scientific management with the practice of management in post-revolutionary Russia.*

Closing this brief chapter on Taylor's '*scientific management*' theory and *Taylorism* it should be noted that there were positive outcomes counterbalancing the criticism of his theory. One such outcome was the admission that his suggestions relating to the need to provide '*work-rest breaks*' benefited the workers by easing their physical or mental fatigue. And here was a clear case of 'win-win' for employers and employees since having the workers return to work posts somewhat *refreshed* would help improve their productivity.

12 HENRI FAYOL'S 'ADMINISTRATIVE MANAGEMENT APPROACH' (FAYOL-ISM)

Henri Fayol (1841-1925) was born in Istanbul (Constantinople) Turkey where his father, a Frenchman engineer, while serving in the French Military, was officially appointed as the Superintendent of works in building the Galata Bridge at the city's Golden horn.

After his family returned to France, Fayol enrolled in the 'École Nationale Supérieure des Mines' in Saint-Étienne from where he graduated in 1860. At the age of 19 he went to work as a mining engineer at the mining company 'Société de Commentry, Fourchambault et Decazeville' where, less than a decade later, Fayol was appointed General Manager.

As Wren, (2001) wrote in his article published in 'Management Decision' under the title 'Henri Fayol as a strategist: a nineteenth century corporate turnaround', when the company abandoned its iron, steel and mining activities and went through restructuring, the Board of Directors appointed Fayol as the chief operating officer (COO). He retired in 1818 having

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been instrumental in helping the company not only to regain its 'financial health' but to become one of Europe's largest and successful industrial conglomerates.

Fayol presented his ideas on management to his professional and scientific societies through several papers. He then proceeded in 1916 to publish in the French language his 'opus magnus', i.e. his fundamental *thesis* under the title *Administration Industrielle et Générale*. The publication of his book took place just a few years after Taylor had published his book *The Principles of Scientific Management*.

As it turned out, paradoxically, the full impact of Fayol's significantly innovative contributions to modern management theory and practice did not materialize with the initial translations and publications of his book in both the German and the English languages. More specifically the 1929 translation in German by Karl Reineke distributed by R. Oldenburg Publishers in Munich and Berlin did not bring Fayol to center stage of European management theorists. Almost simultaneously, the 1930 first edition of the book in English, translated by J.A. Coubrough and published by Sir Isaac Pitman and Sons in London, matching the fate of the German edition did not bring to Fayol's theory the recognition and eminence it deserved in the sphere of European management theories.

It was destined to be the 1949 edition, with a new translation done by Constance Storrs and with a foreword by the noted British management consultant L. Urwick, published again by Pitman and Sons that caught the attention it deserved. The attention was not confined only to Europe but crossing the Atlantic it made an impressive impact in North American circles.

As mentioned above, Fayol's ground-laying work was outlined initially in his papers and then in his textbook which was published in English with the title *General and Industrial Administration*. Fayol outlined 5 basic functions and 14 principles of management, which are briefly presented below:

The Five Functions

1. Planning,
2. Organizing,
3. Staffing,
4. Directing,
5. Coordinating/controlling

The controlling function merges with the coordinating function placing emphasis on the managers' need to have feedback so that they become aware of deviations to the set work

program and make proper adjustments as needed. Contemporary management and business administration textbooks preserve, in their core, Fayol's principles of planning, organizing, leading and controlling adding to them the function of forecasting.

The Fourteen Principles

1. *Division of Work*, (improved efficiency and increased productivity can be expected by clearly defining the scope of work and improving worker's skills)
2. *Authority and Responsibility*, (authority provides the right to act, give orders and demand obedience while it carries along an appropriate sense of responsibility)
3. *Discipline*, (the methods for achieving discipline vary among different organizations but they exist and are enforced as needed securing employees respect and obedience to the rules of the organization)
4. *Unity of Command*, (this assures that specific supervisors issue commands to specific employees)
5. *Unity of Direction*, (in the process of achieving their prescribed goals employees aiming at the same direction should have only one supervisor coordinating their activities)
6. *Subordination*, (the interest of the organization supersedes the interest of every employee or groups of employees)
7. *Remuneration*, (fair wages including financial and non-financial compensation should be given to all persons employed as workers or managers)
8. *Centralization*, (this refers to the proximity of workers to decision making persons or groups)
9. *Scalar chain*, (the line of authority from top management level to the lowest ranking employee is referred to as the organizations' chain of command)
10. *Order*, (a proper designated place is accorded by systematic differentiation to men, machines and materials)
11. *Equity*, (managers should be fair to staff at all times, maintaining discipline and kindness)
12. *Stability of tenure of personnel*, (managers should ensure employee stability as high employee turnover is detrimental to organizational efficiency and productivity)
13. *Initiative*, (improved efficiency, work satisfaction, motivation and high productivity occur when the organization and management permit employees to exhibit initiative, innovation and creativity)
14. *Esprit de corps* (high levels of cooperation along with improved productivity can be expected when the proper psychological atmosphere of team unity and harmony is created and maintained)

13 HENRY FORD & HIS 'ASSEMBLY LINE' PRODUCTION OF THE HISTORIC 'MODEL-T' CARS

Henry Ford (1863-1947) has been unanimously characterized by his biographers and historians as a *farm boy*. He was one of the 8 children of his parents William and Mary Ford born in the family farm adjacent to the small town of Dearborn, located just a few miles west of Detroit, Michigan. He spent there the first 15 years of his life before moving on to Detroit.

He walked away from his family farm to nearby city of Detroit at age 16 and spent the next three years employed at various machine shops. Subsequently he then returned to the family farm holding, simultaneously, a part-time job with Westinghouse Engine Company. Almost a decade later he returned again to Detroit having married, in the meanwhile, Clara Bryant who was raised in a farm not far away from the Ford family farm. In 1893 Edsel Bryant Ford, their only child, was born while Ford was 30 years old and at that same year he was named chief engineer for the Detroit Edison Company.

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Hailed as a '*captain of industry*', as an '*inventor*' and a great personage of 20th century America, Henry Ford, like other great personalities throughout history, had his share of admirers and critics and engaged himself in a variety of iconoclastic activities.

Ford experimented with the construction of *prototypes* of horseless, self-powered carriages. He built the "*Quadricycle*", so called because the chassis of the four-horsepower vehicle was a buggy frame mounted on four bicycle wheels. He kept *dreaming* and made a promise to himself '*to build a car for the multitudes*'.

That dream and promise became a reality in 1908 the year he introduced to America and the World his famous 'Model-T' car. Henry Ford's vision to produce a car as the ordinary man's utility and not the rich men's luxury, became a reality as in the next two decades the '*Model-T*' car sold almost 17 million units. That number represented half of the world's automobile production, of which the vast majority were sold and used in the USA, almost a million in Canada and another quarter of a million in Great Britain.

Ford revolutionized the process of manufacturing a car. He innovated by introducing the coordination of sub-assembly lines delivering parts, sub-assemblies and assemblies with an astonishing time precision to a perpetually moving '*Main Assembly Line*'. He managed what was considered an almost impossible feat, namely cutting unit production time from 12 hours to about 90 minutes. <http://corporate.ford.com/innovation/100-years-moving-assembly-line.html> (Retrieved January 18, 2018)

He took by surprise the automotive industry when he started paying his workers '*5 dollars per day*'. This was a sum more than double the amount of *2.34 dollars* daily wages paid by the rest of the industry. He reversed the established attitude of suppressing production and labor costs and raising unit sale prices. Furthermore, he lowered the *shift* working hours of his employees from 9 to 8 making possible the introduction of an operating schedule of *3-shifts per day*.

His political philosophy and ideological orientations lead him to criticize the involvement of America in the First World War. Ford drew upon himself heavy criticism for publishing a series of articles critical of Jews in the '*Dearborn Independent*', the newspaper he had bought in 1918. Henry Ford's articles were ultimately circulated as a collection of four booklets of which the first booklet, considered as the most important in its contents, was later published as a book under the title '*The International Jew – The World's Foremost Problem*'.

His manufacturing innovations with the assembly line were carefully studied in several European Nations including Germany. Viewed from a variety of vantage points, it is believed that Ford's idea of providing working and middle class Americans with the affordable '*Model-*

T' car, influenced Adolf Hitler's conception of creating the classic German '*Volkswagen*' (in German the term means '*the people's automobile*'). The Germans adopted Ford's manufacturing innovations relating to the assembly line. The '*Volkswagen*' was designed to be a car affordable to most Germans, not just the members of the elite, as Ford had succeeded in doing so for his fellow working and middle class Americans.

In 1938 Ford was awarded '*The Grand Cross of the German Eagle*', the Nazi regime's highest award for a foreigner, for his engineering and production management achievements. The award was considered by some as a verification of Henry Ford's '*pro-Nazi*' sympathies and produced substantially more caustic attacks for his political views by his critics.

14 THE CONTRIBUTIONS OF WEBER AND VEBLEN

As discussed in the two preceding chapters the American mechanical engineer F.W. Taylor and the French mining engineer H. Fayol, were two practicing engineers who contributed to management theory formulating their theses abstracting and galvanizing some of the most significant and salient events emerging from their practitioner experiences.

We will conclude this part of the book, by briefly presenting below, in addition to the portraits and the contributions to management theory of the two creative engineers, the portraits and the key theoretical contributions of two academically trained sociologists – economists, the German Max Weber and the Norwegian - American Thorstein Veblen.

Those readers of my book who are genuinely interested in becoming familiar with some of the most widely rich and authoritative perspectives on the theories and practice of management in businesses and organizations should look at the successful modern textbook authored by Clegg, Kornberger, and Pitsis, (2018), currently in its 4th edition, which is published with the title *Managing and Organizations: Introduction to Theory and Practice*.



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14.1 MAX WEBER'S 'BUREAUCRATIC MANAGEMENT' APPROACH

Maximilian Carl Emil 'Max' Weber, ((1864-1920) was born in Erfurt, Germany as the oldest of seven siblings in an affluent Prussian family. His formal academic training was in sociology, social sciences, economics and Law at the Universities of Heidelberg and Berlin.

Weber explained the capitalist system of a market-driven economy by combining economic sociology with the sociology of religion. His historic monograph, referenced in most impressive numbers, originally published in German was translated and published in English with the title *'The Protestant Ethic and the Spirit of Capitalism'*.

In his classic monograph Weber introduced his interpretive thesis that the capitalist system of production owed its existence to the Protestant religious values. These values are simply stated in the dictum of *'working hard and saving part of the wages earned'*. His contribution to management theory falls in the category of the so-called Bureaucratic System Approach.

Weber's theoretical contributions focused on the management of large scale bureaucratic organizations in both industrial production and public administration. Weber clearly specified hierarchies of authority and responsibility in complex organizations and structures. His *'ideal bureaucracy model'* for the successful operation of all bureaucratic systems provided large scale organizations with the needed stability, efficiency of operations and rational order.

In Weber's scheme there are clearly delineated roles at the various levels of the hierarchy and specific statements on the skills and capabilities necessary required of each person chosen, but objective criteria, for each specific role in the bureaucratic organization. In Weber's bureaucratic scheme managers are provided with the needed authority to require and to obtain adherence to set organization rules and policies.

Some critics of Weber's scheme have emphasized the view that such rigidly structured systems, although they assure stability and smoothness in operations, end-up stifling both the managers' and the employees' innate creative talents and disposition of creativity and stifle exhibition of *'charismatic leadership'*.

Indeed some modern critics of Weber's Bureaucratic model have raised issues with the need to adhere to set rules, regulations and policies which trap managers *'in the box'*. This type of organizational entrapment prohibits managers of thinking creatively and innovatively, in what is referred as thinking and acting *'outside the box'* in order to face challenges and problems characterizing the modern globalized system of capitalist economies.

14.2 THORSTEIN VEBLÉN'S CRITIQUE OF THE 'AFFLUENT' SOCIAL CLASS

Thorstein Veblen (1857-1929) was born in Cato, Wisconsin. He was the fourth of twelve siblings in a Norwegian immigrant family who had migrated to America about a decade before he was born on American soil.

Taylor, Fayol and Ford with their innovative theories and their strategic applications were aiming at raising workers productivity and maximizing company profits and organizational efficiency, Veblen, a leading intellectual of the Progressive Era, opposed and essentially attacked the notions relating to improved worker productivity for improved company profits.

In his classic treatise, (1899) *The Theory of the Leisure Class: An Economic Study of Institutions* which originated as 3 articles published in the American Journal of Sociology, the Norwegian-American sociologist and economist introduced his two novel in his times concepts of *'conspicuous leisure'* and *'conspicuous consumption'*.

Veblen's emphasis on *'conspicuous consumption'* as it was exhibited by members of the *'affluent'* social classes along with the related - parallel concept of *'conspicuous leisure'* exhibited by the same people, greatly influenced many of his contemporary and later socialist thinkers who were seeking some *non-Marxist* critiques of capitalism and technological determinism. For Veblen both concepts, materializing as observable behavior, are performed to demonstrate wealth or mark higher social status when compared to the financially less successful, lower social status, working class American compatriots.

'Conspicuous leisure' was exercised by those who, in economic terms, could spend their time non-productively, or as some social media have put it more bluntly, simply *wasting* their time as they pleased. In this way they showed that they did not have to work in order to secure the necessary means for existence as was necessary for members of the working class.

'Conspicuous leisure' was easier to display and to be seen in rural settings rather than in urban-industrial settings. In urban settings the exhibition of economic and social *'superiority'* was expressed by *'conspicuous consumption'* which for Veblen meant visibly and carelessly spending more money for the acquisition of some goods than those goods were worth.

Veblen enrolled in college and was a formally academically trained professional holding undergraduate and graduate degrees, including a Doctorate in Philosophy, having studied sociology, economics and social sciences. His studies were at John Hopkins University and at Yale University, one of the eight *'Ivy League'* member Universities.

For those not familiar with the concept of ‘*Ivy League*’ it should be noted that the term initially described eight North-East United States Universities participating in a collegiate athletic conference. Later on the concept took on and assumed the connotations designating academic excellence and to some extent elitism. The eight members of the ‘*Ivy League*’ were Brown University, Columbia University, Cornell University, Dartmouth College, Harvard University, the University of Pennsylvania, Princeton University, and Yale University.

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15 THE FIRST BUSINESS SCHOOLS APPEAR IN 19TH CENTURY EUROPE AND THE USA

Taylor, Fayol and Ford had some formal higher education training, surely not in the fields of management or business administration and yet, as it is widely and undeniably accepted, they left their mark, creating their personal legacies in management theory and practice in the time period between the end of the 19th and the beginning of the 20th century.

In contrast to the above three, Weber and Veblen were University trained social scientists who had earned degrees in sociology and economics. Having presented already in summary form the contributions of all of the above men, we will in this chapter attempt to familiarize our readers with a *dichotomy* underlying perceptions of Business Administration education.

The *dichotomy* refers to those academics and management practitioners who believe that business schools should not have shunned away from the basic social and behavioral sciences; and to those who content that current curricula of business administration subjects are the proper mode of preparing students at both undergraduate and graduate levels of study.

Within this general framework of discussion, we will now take a brief glimpse at the origins and birth as well as at some current critiques aimed, in a positive and creative spirit, of the *modus operandi* of contemporary business & management schools.

During most of the 20th and now in the 21st century, it was and is expected almost as a rule, keeping in mind, of course, that every rule has its own exceptions, that young men and women intending to pursue careers in the management of businesses or public organizations should enroll, study and graduate from business or from management schools.

Business and management schools across the world, as one can easily determine looking at their course outlines, offer modules and seminars in a variety of specialties among which are included in alphabetical order: accounting, economics, entrepreneurship, finance, human resources management, international business, law, leadership, logistics, marketing, management science, public relations, organizational behavior, research methods, strategy.

Nowadays, on a worldwide basis, some 13,000 Universities have business or management schools offering undergraduate degrees in the form of B.A. and B.Sc. (usually honors) and post graduate degrees in the form of an M.A., M.Sc. or M.B.A. as well as Doctoral degrees in the form of a Ph.D. or DBA in a variety of the core subjects of specializations taught.

We will now present below, as briefly and succinctly as possible, adhering to a chronological order, the appearance of Business Schools in Europe and the USA.

The world's first Business School was established in Paris, France in 1819 by a group of economic scholars and business men bearing the title *Ecole Spéciale de Commerce et d'Industrie* and soon after renamed *Ecole Supérieure de Commerce*. It developed to *ESCP* fifty years later in 1869. After merging with its sister school, the European School of Management (EAP), in 1999, the school was operated under the title of *ESCP-EAP* for about a decade. Finally in 2009, the school's name became *ESCP Europe*, making explicit reference to its European heritage and positioning. <http://www.escpeurope.eu/escp-europe/history-of-escp-europe-business-school/> (Retrieved 19 January 2018)

The first collegiate Business school was founded in 1881 by the American entrepreneur and industrialist *Joseph Wharton* at the University of Pennsylvania and bears his name ever since. As the school's motto states, Wharton's vision was to produce graduates who would become '*pillars of the State whether in private or in public life*'. From 1881 to 1901 it was known as '*Wharton School of Finance and Economy*' and from 1902 to 1971 as '*Wharton School of Finance and Commerce*'. Since 1972 the school has come to be known as '*Wharton School*' of the University of Pennsylvania. <https://www.wharton.upenn.edu/about-wharton/> (Retrieved 19 January 2018).

Shortly before the end of the 19th century, in the year 1898, the second oldest American Business School, *the Haas School of Business* at the University of California, Berkeley, was initially introduced and established as a *College of Commerce* in the West Coast of the U.S.A. (<http://haas.berkeley.edu/haas/about.html>) (Retrieved May 13, 2018).

During the same year 1898, The *Handelshochschule Leipzig* (today *Leipzig Graduate School of Management*) was created in Saxony Germany (<http://blog.hhl.de/en/history-of-hhl/>) (Retrieved May13, 2018).

The University of St Gallen, Switzerland came into existence also in the year 1898 initially as a '*business academy*'. It is now a research university with five schools, namely the "School of Management", the "School of Humanities and Social Sciences", the "Law School", the "School of Finance" and the "School of Economics and Political Science" <https://www.unisg.ch/en>, (Retrieved May 13, 2018).

In the Commonwealth of Massachusetts, USA, in the year 1900, the *Amos Tuck School of Business at Dartmouth College* came into existence supported financially by a generous donation from Edward Tuck, an alumnus of Dartmouth College, bearing the name of his father who was also an alumnus of Dartmouth. The School was the first American Business

School to offer a graduate program awarding a *Master of Science in Commercial Science* which is considered to be the historic predecessor to the contemporary MBA degree. <https://web.archive.org/web/20070524141711/http://www.tuck.edu/about/history/index.html> (Retrieved May 13, 2018).

The University of Birmingham in 1902 introduced the first Business School in the United Kingdom which came into existence originally as the *Birmingham School of Commerce*.

In the USA the Kellogg School of Management, initially introduced as a *School of Commerce* was founded in 1908 in the city of Chicago, Illinois and is now part of the Northwestern University of Evanston, Illinois with partner campuses in several Nations.

The Harvard University Business School was founded in the city of Cambridge, Commonwealth of Massachusetts in 1908, as a graduate school offering the first MBA degrees, initially as part of the Humanities Faculty, until it became independent in 1913.

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15.1 A GLIMPSE AT SOME CURRENT CRITIQUES OF BUSINESS SCHOOLS

This brief glimpse at the chronological History of the initial appearances of Business Schools in Europe and the USA during in the 19th and the beginning of the 20th centuries, will conclude with a brief focus on some poignant, current and well-intended *critiques* of the curricula and the training provided on a global scale by modern Business School education programs offered at both the undergraduate and the MBA levels.

Ghoshal's (2005) paper '*Bad Management Theories are destroying Good Management Practices*', was published shortly before his death and brought forth a significant critique of current management education provided in Business Schools. In his paper, the late *management guru* suggested that many of the incidents of 21st century corporate corruption could be related to the curricula of Business Schools which teach management as a science.

Ghoshal in this, perhaps the most contentious of his papers, suggested that teaching management as a science led to the exclusion of moral and ethical considerations in business theories and therefore to the prescriptions of management practices. He stated boldly that:

'...By propagating amoral ideologically inspired amoral theories, business schools have actively freed their students from any sense of moral responsibility.' (Ghoshal 2005:76)

Ghoshal's views were similar in style to those expressed by Mintzberg in his book (2004) published with the title '*Managers not MBAs: A Hard Look at the Soft Practice of Managing and Management Development*'. In this book he outlined his criticism of the MBA degree pertaining to its philosophy, modules, courses, teachers and students. Mintzberg underlined the gravity of his criticism by noting that according to relevant statistical data an estimate of one million MBAs are awarded in the USA in the span of each decade.

Writing at the '*point-counter-point*' section of the *Journal of Management Studies*, vol. 41(issue 8) Jeffrey Pfeffer and Christina T. Fong in their article titled '*The Business School 'Business': Some Lessons from the US Experience*' offer a creative critique of American MBA programs which have been emulated by Business Schools on a global scale noting:

"US business schools dominate the business school landscape, particularly for the MBA degree... But US business schools face a number of problems, many of them a result of offering a value proposition that primarily emphasizes the career-enhancing, salary-increasing aspects of business education as contrasted with the idea of organizational management as a profession to be pursued out of a sense of intrinsic interest or even service" (p. 1501)

The two co-authors go on carefully documenting several of the problems American Business Schools are confronted with. They proceed to substantiate their thesis that many of the

problems arise from a combination of a market-like orientation to education, particularly at the MBA level, coupled with absence of professional ethos embedded in social sensitivity.

Ken Starkey, Armand Hatchuel and Sue Tempest, writing in the same section of the same issue of the *Journal of Management Studies* under the title *'Rethinking the Business School'*, examine some of the criticisms levied against Business Schools from within and, indeed, by some of their leading professors. Those critics emerging from within Business Schools are suggesting that they are at the brink of moral bankruptcy by pushing growth for their own sake. Matters are worsened further by instilling business values aiming to *winning at all costs* and toward personal gains and enrichment. The authors content, however, that Business Schools can come to realize a positive future if they decide to implement the necessary and proper rectifying self-controls.

Rakesh Khurana of Harvard University in his book (2007) titled *'From Higher Aims to Hired Hands: The Social Transformation of American Business Schools and the Unfulfilled Promise of Management as a Profession'*, which has received the American Sociological Association's Max Weber Book Award, carefully reviewed a century of Business School education. He convincingly and eloquently argues that in producing career technocrats with myopic social vision, Business Schools have sadly strayed away from what some had conceived as their lofty aim of educating and preparing far-sighted, moral business leaders.

P.J.H. Shoemaker in his article titled *'The Future Challenges of Business: Rethinking Management Education'* published in the *California Management Review* volume 50 (3) (April 2008), strongly criticizes Business Schools and especially the MBA programs noting:

"The traditional paradigm of business schools is not well suited to handle the ambiguity and high rate of change facing many industries today. The typical MBA program is focused on analytic and cognitive skills, stylized treatment of real business problems, and self-centered careerism with a limited recognition that management is as much art as science." (p.119)

Martin Parker, who taught in Business Schools for 20 years, in a long article published in *The Guardian* on April 27, 2018 under the title *'Why we should bulldoze the business school'* suggests that there are plenty of reasons to wipe out Business Schools as they now exist, and to radically reimagine a new type of Business School. Parker's comments given below strengthen the main thesis of my book and underline, to some extent, its *antithetical* title:

"... Human behaviour – of employees, customers, managers and so on – is best understood as if we are all rational egoists. This provides a set of background assumptions that allow for the development of models of how human beings might be managed in the interests of the business organisation. Motivating employees, correcting market failures, designing lean management

systems or persuading consumers to spend money are all instances of the same sort of problem. The foregrounded interest here is that of the person who wants control, and the people who are the objects of that interest can then be treated as people who can be manipulated.” <https://www.theguardian.com/news/2018/apr/27/bulldoze-the-business-school> (Retrieved May 1, 2018)

Surely Parker’s thesis is not aiming at the *full elimination* of Business Schools as they are the providers of management personnel needed in staffing businesses and organizations. His aim is rather to challenge contemporary Business School Directors and their staff to engage in what he obviously sees and considers as an urgent *re-organization* of the curricula and of the *restructuring of the philosophies* which are permeating Business Schools.

He concludes that such changes, when timely and properly implemented, will enable the Business Schools to better respond to modern corporations’ and organizations’ needs for properly-trained under-graduates and post-graduates. Business School undergraduate or post-graduate degree holders, enlisted either as entry level or middle level management personnel, would be creatively productive in ensuring that corporations and organizations continue to be successful in the rapidly changing, unstable and challenging global environment.

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A brief Recap...

The contributions to the theory and practice of industrial management of the two engineers, the American Frederick Taylor and the French Henri Fayol, and those of 'farm-boy-industrialist' Henry Ford were presented along with those of two noted academics, namely Max Weber and Thorstein Veblen.

A chapter was also dedicated to the birth and evolution of Business Schools which first appeared in Europe and the USA and now exist in some 13,000 universities across the globe and growing.

In part five we will present briefly the emergence of human relations in industry and the major theories relating to human motivation as it affects employees' work behavior.

**PART FIVE - EMPLOYERS AND
EMPLOYEES AS 'ANTAGONISTS':
THE ERA OF 'HUMAN RELATIONS'
AT THE WORKPLACE EMERGES
AND COMES CENTER STAGE**

The presentation of major management theoretical schemes in part three of this book, has hopefully made obvious their emphasis on improving the production levels and the productivity of workers and employees, aiming to achieve increased profits for business stakeholders as owners, shareholders, and managerial personnel.

Parallel to the emphasis on increased productivity and profits was the criticism that classic management theories viewed workers and employees as part of the production apparatus, almost as nothing more than machines. Such a view ends-up stripping workers and employees of their human nature while it also minimizes the potential of motivating them to engage in and exhibit in the process of production behaviour desired by management.

Viewed from another point of view, critics were calling attention to the idea that the wish to be creative on the job exists within our human nature as an innate need. Therefore workers, as well as members of lower management tiers, if motivated properly by top business and organization echelons, could be more productive and hence more useful to business owners and stockholders than simply being pushed to act within set limits and work parameters.

Obviously such contrasting viewpoints on workers and employees behaviour lead to the fermentation of innovative ideas based on 'human relations', putting aside the classic view of employers and employees as '*antagonists*'. Indeed, what was needed in employer-employee relations was some new theoretical viewpoint substantiating the emerging significance of '*human relations*' in the workplace. Good human relations in businesses and organizations, if used properly could easily prove their usefulness for all players involved, namely workers and employees, managers, business owners, stockholders and organization directors.

In the desired rise of productivity and the ensuing enhancement of company profits, made especially by Taylor, the emphasis was on techniques of raising the levels of the individual worker's motivation and the commitment to existing business and organization goals.

16 THE HAWTHORNE STUDIES AND THE ERA OF 'HUMAN RELATIONS' IN INDUSTRY

The '*Hawthorne studies*' (1924-1932) derived their title from the location where they were conducted, namely the Western Electric Company's plant in the suburb of Hawthorne in the vicinity of Chicago, Illinois. One of the initial aims of the researchers was to measure the effect variations in the level of lighting in the production rooms and halls had on productivity.

Two noted Harvard University academics supervised the series of experiments. They had the full cooperation of the plant's employee relations department head William Dickson. It is interesting to note that the project was also partially funded by General Electric which withdrew its support when the first results showed that there were no significant relations existing between levels of lighting in production rooms and halls and worker productivity.

As already mentioned, classic approaches to management theory and practice focused, almost exclusively, on the on-the-job activities of workers and supervising managers leaving little,

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if any, room for other social and psychological intervening factors that could relate to and affect their motivation to improve individual productivity and group performance.

The Australian born Harvard Business School Professor George Elton Mayo, usually encountered in publications as Elton Mayo and his Harvard Business School team of researchers headed by his assistant Fritz Roethlisberger, conducted four experiments identified as '*the Bank wiring room observation study*', '*the Relay assembly room experiments*', '*the Illumination experiments*' and '*the Mass workers interviewing program*'.

Mayo's theoretical conceptualization was that along with, or in a parallel fashion to, the observable and existing organizational structure there exists an informal pattern of social relations among workers which, when properly identified and utilized, would further improve their productivity contributing raised financial for business and organization stakeholders.

The impressive, unexpected by the researchers, results were that productivity increased in both the *experimental* and the *control* groups they were studying. This finding lead the Hawthorne researchers to theorize that, in fact, the *human relations* elements in the industrial production setting were more important in raising productivity levels than previously thought.

Indeed, the Hawthorne experiments brought forth the significant finding that workers and employees as human beings, respond more readily to socio-psychological motivators including group and interpersonal dynamics and less to some small increments in their compensation or some improvements in the physical conditions of their work environment.

It is true that some of the findings of the '*Hawthorne experiments*' came under question on the basis of their methodological and other weaknesses. The fact remains, however, and it should be reiterated. that the researches brought to the surface tangible proof that workers' and employees' productivity was related more to socio-psychological motivators and less to small increments of their wages or improvement in the light and cleanliness conditions of the workplaces. The success in enlisting workers' and employees' motivation and commitment to stated goals was related to developing positive human relations among work group members.

Other criticisms of the *Hawthorne experiments* and the conclusions drawn from the findings centred on the lack of rigor, lack of careful delineation of the tested variables and of the meaning and significance of the so-called '*Hawthorne effect*', i.e. the claim that workers as human beings tend to behave differently when they realize that they are under observation.

Analysing and appraising the various aspects of these research efforts, some decades later, Henry Landsberger (1958) coined the term '*The Hawthorne effect*' now widely used in management studies. The '*Hawthorne effect*' signifies that various production groups may,

temporarily, show increased performance levels which come not as a result of manipulating different variables relating to the workplace settings or processes, but rather because members of the production groups realize that they are being studied and observed. They increase their productivity because someone is paying attention to their behaviour as workers.

The *Human Relations* approach encompassing the organizational behaviour orientation is multidimensional and multidisciplinary. It engages sociology, psychology, anthropology and other social sciences in providing heuristic interpretations of individual and group behaviour. It identifies the critical motivators for improving human performance in large scale business corporations of industrial production and in large public services providing organizations.

17 HUMAN MOTIVATION AND THE THEORIES OF MASLOW, HERZBERG & LIKERT

Ancient philosophers in Athens and Rome, in China, India and Japan most notable among them Plato and Aristotle, Confucius and Buddha and many philosophers, psychologists, sociologists and other social scientists up to our days, have sought to understand the core-essence of being human, i.e. how the individual personality is formed, what motivates us as individuals and members of human groups and what shapes individual and group behaviour.

Presented below will be brief summaries of the three human motivation theories as they appeared during the course of the 20th century; namely, the theories of Abraham Maslow, Frederick Herzberg and Rensis Likert. Before these brief presentations, however, we will call our readers' attention to the following quote abstracted from H. P. Adams' (2015) book titled '*Karl Marx in His early writings*' (the first edition of the book had appeared in 1940):

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“... *The essence of the human species is that man does not live by bread alone, is not in existence merely to eat, drink and propagate like an animal or an hereditary monarch. For man as man the objects of nature are potential science and art, which make the human nature of non-human things. But of all this specifically human life man is deprived by modern industry. Men become to each other only means to an end, and this destroys their humanity. As a social being man must find in his relation to others the realization of his true self. The only really human work is free activity with consciousness of aim.*” (p.108)

17.1 ABRAHAM MASLOW'S HUMANISTIC PSYCHOLOGY AND THE PYRAMID OF HUMAN NEEDS

Abraham H. Maslow (1908-1970), was born in Brooklyn from immigrant parents who had migrated from Russia to New York. After High School he enrolled at the City College of New York, transferred for a short time to Cornell, and then he returned to C.C.N.Y. His Bachelor's, Master's and Ph.D. in Psychology degrees, however, were earned at the University of Wisconsin. He held a variety of University positions and finally from 1951 to 1969 he was at the department of Psychology at Brandeis University in the city of Waltham, Massachusetts.

Maslow has left a legacy for his pioneer work in *Humanistic Psychology*, which grew out of the expressed opposition of many psychologists to the two mainstreams in psychology and psychiatry prevalent during his time, namely '*behaviourism*' and '*psychoanalysis*'.

Behaviourism has its roots in the pioneer work of the Russian physiologist Ivan Pavlov and his experiments in shaping the behaviour of dogs. Pavlov's work known originally as '*classical conditioning*', was continued and further expanded through the work of the American psychologist J. B. Watson who rejected his contemporaries' emphasis in *introspection* and insisted that psychologists should deal only with *observable behaviour*.

Later on, B.F. Skinner, Harvard professor of Psychology, using the so-called '*Skinner Box*' in studying the behaviour of rats and pigeons, became the father of '*operant conditioning*' accepting the existence of what is popularly referred to as the '*mind*'. Skinner highlighted the existence of the chain of '*stimulus-response*' processes in learning. He added to it the concept of '*positive and negative reinforcement*' in shaping the end-behaviour of experimental rats and pigeons. Skinner surprised many of his contemporaries presenting in his book '*Walden Two*' (1948) his thesis refuting the existence of '*free will*' in human beings.

Psychoanalysis was started and '*fathered*' by Sigmund Freud, the Austrian neurologist. In its classic view, psychoanalysis posited that individual behaviour is formed during the first

7 years of childhood and all its later manifestations are based on the experiences gained during childhood. This view was later revised by the so-called '*neo-Freudians*'. They proposed that the formation of behaviour patterns continues during adolescence. Psychoanalysis views human personality as a complex entity containing the following three elements which interact producing human behaviour:

The '**Id**', which is present at birth, is buried into the subconscious and is governed by the '*pleasure principle*' which strives for the immediate gratification of needs, wants and desires.

The '**Ego**' emerges from the 'Id' as the child is growing and is governed by *the 'reality principle'*. This principle ensures adjustment to the individual's socio-psychological environment as it strives to postpone immediate satisfaction of the 'Id's' desires adopting socially acceptable and more realistic behaviour.

The '**Superego**' does not refer to an '*inflated, super type of Ego*', but it is the internalized synthesis of moral rules, guidelines and ideals that the child acquires from his parents and the prevalent institutions of the society in which he lives and grows. The 'superego' contains the '*Conscience*' i.e. our understanding of what is good or bad, right or wrong, moral or immoral. It also contains the '*Ego Ideal*' a concept referring to the image each one of us holds dear about the type of person we admire and therefore the type of person we want and strive to be as we proceed to adulthood.

The '**Superego**' strives to suppress and curtail the satisfaction of all of the '**Id's**' desires, urges and wants which are judged to be socially and morally wrong and unacceptable; and it also strives to guide the '**Ego**' obliging it to act within the moral standards it prescribes.

Considered as a significant architect in the creation and growth of *Humanistic Psychology*, Maslow was critical of evaluating human behaviour on the same level as animal behaviour studied in laboratories. He was also critical of the psychoanalytic view of human behaviour centring on its pathological expressions as understood and described by psychoanalysis.

In his classic paper published in the *Psychological Review* in 1943, Maslow presented his '*Theory of Human Motivation*' which was schematically structured as a five level pyramid listing human needs from the lower physiological ones to the upper intellectual ones. Maslow's theory and his pyramid of needs have gained such widespread publicity globally that he is ranking as one of the most cited American psychologists of the 20th century.

Maslow in his pyramid hierarchy of needs placed at its base, the bottom level of the pyramid, the so-called '*physiological needs*', namely air, food, water, clothing and shelter. It should be noted that these needs were also characterized as '*deficiency needs*' a term which denotes that

their satisfaction does not signal the emergence of any significant feelings but that on the contrary if they are not timely met the individual may become anxiety ridden.

Progressing upward on the pyramid, satisfaction of the next level of needs containing the 'safety needs', i.e. stable health, personal and financial security, become the motivators for the individual's behaviour, when they are met and satisfied to the individual's expectations.

On the third level of the pyramid, Maslow placed the needs for 'belonging and love', which include interpersonal relations such as friendship, intimacy, family as well as group affiliations and belonging in the individuals' social settings or in their work environments.

The fourth level, the human need for 'esteem and self-respect' assumes striving in order to gain the desired social status and recognition, personal achievement and social prestige.

Once the first four levels of needs are satisfactorily met, the individual may strive to ascend to the fifth level, referred to and presented as 'self-actualization'. This construct has been variously defined and characterized as the aim of each person, each individual to become what he or she can be, to become the most one can be, to realize his or her full potential within his or her given socio-economic, cultural and psychological environment.



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Going beyond the original article with the 5-level pyramidal hierarchy of needs, Maslow further advanced and solidified his theory in his book (1954) published under the title *'Motivation and Personality'*. He added and highlighted in that book his belief that humans possess an innate *'curiosity need'* which channels and guides some aspects of our behaviour.

17.2 FREDERICK HERZBERG AND HIS 'HYGIENE-MOTIVATORS' FACTORS THEORY

Frederic Irving Herzberg (1923-2000) was born in the city of Lynn, Massachusetts and studied psychology at the City College of New York from where he received his Bachelor's degree, subsequently receiving his Master's and Ph.D. degrees in Psychology from the Pittsburgh University of the State of Pennsylvania.

Herzberg's contribution to the Human Relations Approach to Management was his *'two factor theory'* composed of what he termed the *'hygiene factors'* and the *'motivator factors'*.

The *'hygiene factors'* relate to environmental characteristics of the work setting as well as to the organizational culture in which the individual exists and functions as an employee. Negative environmental and organizational conditions, such as poor work environment, low salaries, job insecurity, and authoritarian supervision could lower workers' productivity; positive hygiene factors will help stabilize, but they will not improve, workers' dedication to their jobs and will not shape their behaviour towards achievement of higher output.

'Motivator factors' can be both *extrinsic* (management style and organizational culture provide motivators such as recognition, promotion, increased levels of responsibility) and *intrinsic* (relating to the individual's subjective needs to succeed, to excel and to realize full personal potential).

The readers may recognize some similarities in Herzberg's theory to Maslow's theory broadly relating to the concepts and differentiation of basic needs and higher human needs.

17.3 RENSIS LIKERT

Rensis Likert (1903-1981) was born in the city of Cheyenne, Wyoming, studied sociology and economics at the University of Michigan from where he received his Bachelor's degree and continued at Columbia University where he was awarded the Ph.D. in psychology.

Likert taught psychology for a brief period at New York University, went on to Hartford, Connecticut, accepting the position of Director of research for the Life Insurance Agency Management Association and then joined the USA Department of Agriculture as Director of the Bureau for Agricultural Economics. After the end of World War II, in 1946, he moved to the University of Michigan where he stayed until his retirement in 1970 serving as the Director of the Institute of Social Research which he had initially helped to establish.

Early in his career trying to devise a research instrument for easy, efficient and reliable measurement of human attitudes he ended up with what has since been known as the '*Likert Scale*', an instrument widely used in assessing peoples' attitudes toward researched items. Posing the questions to be answered, or the opinions or feelings requiring a person to take a stance, the researchers provide their subjects with 5 possible responses:

Strongly disagree/ disagree/ neither disagree or agree/ agree/ strongly agree

Some criticism was raised subsequently relating to the possibility that respondents may, for a variety of reasons, avoid either of the extremes, strongly positive or strongly negative,

answers and some, who are undecided, may easily choose the ‘*neither-nor*’ middle response. At any rate the scale has been and continues to be used extensively on a Global scale.

Likert’s main and significantly notable contributions to the Human Relations Movement and to Organizational Theory in management, was made public originally in his (1961) book titled ‘*New patterns of Management*’ and subsequently in his book (1967) titled ‘*The Human Organization: its Management and Value*’.

Recognizing that the modern workforce encompassed better educated, talented employees well driven by self-motivation and willing to creatively participate in their work place culture and environment, Likert emphasized the theory and practice of ‘*participative management*’. He suggested that managers and employers who creatively and effectively utilize their staff’s participation and contribution to decision making, would end up improving productivity, enlarging profits for their business enterprises and efficiency for their public organizations.

Liker in his scheme distinguished and defined 4 different types of management, namely:

‘**The Exploitive –Authoritative style**’ where supervisors have little respect for the abilities and motivation of their subordinates, restoring to the use of fear and punishment in order to achieve their desired production or performance goals.

‘**The Benevolent-Authoritarian style**’ which simply adds the supervisors’ concern for their subordinates in a ‘*master-slave*’ type of relation, where production and performance are aided by the provision of some rewards for performance

‘**The Consultative style**’ where supervisors and superiors admit that their subordinates have some basic sense of responsibility and motivation but they do not have absolute trust in them,

‘**The participatory-group involvement**’ style where supervisors and superiors have proper respect for their subordinates capabilities, dexterities, loyalty and motivation and they do take their suggestions into account and reward them appropriately. This style effectively results in creating the ultimate climate for improved work performance and increased productivity.

18 MCGREGOR'S THEORIES 'X AND Y' & QUICHY'S THEORY 'Z'

Douglas Murray McGregor (1906-1964) was born and raised in Detroit, Michigan the city considered at those times as the World's Capital of Automotive industry; he died in the State of Massachusetts while he held the post of professor of management at the famed Sloan School of management of the Massachusetts Institute of Technology (MIT).

As a young man he held a number of part time jobs, dropped out of College and returned later to complete his studies earning in 1932 his Bachelor's degree at Wayne State University, his Master's degree in 1933 and his Ph.D. degree in 1935 in Psychology at Harvard University.

He stayed on as a lecturer in the psychology department of Harvard before accepting an appointment in 1937 teaching industrial relations at M.I.T. where he remained until 1948, when he was appointed President of Antioch College in Yellow Springs, Ohio. After serving for six year as President of Antioch College, he returned to M.I.T. where he passed away in 1964 suffering a heart attack.

Douglas McGregor publicly presented his theory in his book (1960) titled '*The Human Side of Enterprise*' which is ever since referred to, usually, as theories 'X and Y'. McGregor has made a notable attempt in his best-selling book to differentiate between the two major management views, i.e. the *classic*, (authoritarian) and the *modern* (liberal-participative).

'*Theory X*' refers to the traditional view of exercising direction and control relying on the impersonal, condescending and demeaning view of workers and employees as lazy human beings, avoiding and shunning away from responsibility who, therefore, need strong, authoritarian supervision in order to return to their employers their wages/salaries worth.

'*Theory Y*' refers to the integration of organizational and individual goals and the viewpoint that for humans, as workers or employees, work can be rewarding and as enjoyable as play, and that if treated with proper respect and trust, workers and employees will be motivated to give their best to their jobs, while being simultaneously positively and creatively participative in the business enterprise or organization's aims and goals.

In the middle 1950's, as Robert Waterman revealed in his book (1964) titled: '*Frontiers of Excellence: Learning from Companies that Put People First*', a Procter & Gamble executive had asked professor McGregor to help set up a P&G detergent producing plant in Augusta Georgia applying the principles embodied in his 'Y-type' theory of management.

A decade later, the plant was producing 30% better than other plants and lead the P&G executive team to apply McGregor's Y theory principles to other plants. This was kept well as a secret, as it was considered as a major P&G's '*competitive advantage*'.

Waterman, using various examples in his book, reveals that successful and profitable companies are the ones which organize around their people as they empower their staff, provide them with recognition and support, challenge them to rally around the concepts of continuous learning, adaptation to change and to come forth with innovative suggestions.

The following paragraph is extracted from the page dedicated to Douglas McGregor at the MIT –IWER (Institute for Work & Employment Research) where it is also mentioned that his book was voted as the 4th most influential management book of the 20th century in a poll of the Fellows of the *Academy of Management*: <http://iwer.mit.edu/about/iwer-pioneers/douglas-m-mcgregor/> (Retrieved February 11, 2018)

"In The Human Side of Enterprise, McGregor cautions that: "Most teams aren't teams at all, but merely collections of individual relationships with the boss. Each individual vying with the others for power, prestige and position." He adds: "...the mistaken idea that the effectiveness of the group depends solely on upon the leader. As a matter of fact, the research evidence indicates quite clearly that skilled and sensitive membership behaviour is the real clue to effective group



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operation.” Elaborating, McGregor observes that a successful team has an “informal, comfortable, relaxed atmosphere,” broad participation in discussions, tasks or objectives that are well understood, constructive disagreement, decisions mostly reached by consensus, the chair does not dominate, the group frequently “will stop to examine how well it is doing, “and “members listen to each other!”

Almost six decades after its initial publication in 1960, McGregor's theoretical postulations and applied suggestions, still continue to have significant impact on training modern managers and introducing and cultivating corporate and organizational cultures.

William G. 'Bill' Ouchi is credited with the introduction of the so-called '*Z theory*' (which appears as an alphabetical extension to McGregor's '*X and Y*' theories). This was an attempt by the Hawaiian – American professor of management to explain the Japanese model of management to the American and other western academic, professional and general publics.

The readers of my book should be informed at this point that in the 1980's the Japanese '*economic miracle*' was globally realized through the flooding of the world markets with high quality and competitively priced goods, from TVs and home appliances to automobiles. This phenomenon became on a global scale the subject of heated and lively debates, rigorous discussions in academic amphitheatres and in corporate headquarters and in the Mass Media.

In his book (1981) published with the title '*Theory Z: How American Business Can Meet the Japanese Challenge*', Dr Ouchi emphasized his point that the Japanese management success was not based on, nor was the result of, superior Japanese technology. These most impressive Japanese management's successes were based on the adoption and innovative implementation of a special corporate culture. This culture integrated and interfaced highly competitive and well trained middle and upper level supervisors and managers with well-respected and dedicated employees, who were actively involved and fully participating in the processes of taking and implementing minor as well as some major management decisions.

Ouchi pointed out the fact that part of the success had to do with *employee loyalty* to the companies that employed them and, as employees were satisfied and rewarded for their efforts, they would confirm their gratitude towards their employers by choosing to be loyal to their jobs and by continuing to stay with the company that employed them for a lifetime.

In Ouchi's '*theory Z*' the concept of '*guaranteed life-time employment*' meant that management was assured of employee long-term loyalty and stability in their jobs, and vice-versa workers and employees were guaranteed tenured employment in their chosen company.

It should be highlighted at this point, for the benefit of our readers that Japanese culture does lend itself to such levels of mutual loyalty between management and employees. Indeed, viewed from a socio-psychological perspective Japan was distinctly a society placing very strong emphasis on the family as a fundamental social institution, and the Japanese are well known for their unchallengeable historic loyalty to their Emperors and their Imperial Order.

19 WILLIAM EDWARDS DEMING AND 'TOTAL QUALITY MANAGEMENT'

William Edwards Deming (1900-1993) was born in Sioux City, Iowa and passed away in Washington, D.C. After graduating from High School he attended the University of Wyoming from where he received his engineering degree in 1921. He went on to receive a Master's degree in mathematics and physics from the University of Colorado and he concluded his academic training at Yale receiving his Ph.D. in mathematical physics.

He spent several years at the US Department of Agriculture and subsequently at the US Bureau of the Census, and after the end of World War II, from 1946 to his death in 1993 he was a professor at New York University Graduate school of Business Administration, while simultaneously from 1986 to 1993 he taught with the title of '*distinguished professor*' at Columbia University. Deming also run his successful consulting firm for over 4 decades

In 1950 he responded to a special invitation and presented a series of seminars to Japanese executives of large corporations and, subsequently, he saw that his ideas were very eagerly adopted by the top industrial elite of this war devastated country. Indeed Deming saw in Japan the large scale incorporation of his strategies, techniques and principles relating to the varied and significant issues related to the construct of '*Quality*'.

He emphasized that when organizations and employees focus on quality, as shown in the equation below, over time quality increases and costs fall; whereas when organizations and employees focus singularly on costs, over time quality decreases and costs end up rising.

Results of work efforts

Quality= -----

Total Costs

Deming's contribution to the renaissance of Japanese industrial production was officially recognized and in 1960 Prime Minister Nobusuke Kishi, acting on behalf of Emperor Hirohito, awarded him the '*Order of the Sacred Treasure Second Class*'.

In his book titled '*Out of the Crisis*' (1982) Deming has listed 14 key principles that management should follow in order to improve the effectiveness, success and longevity of their business or organization.

The 14 points listed below appeared in chapter 2 of his book under the title '*Principles of transformation of Western Management*' and are presented below as they are listed in: (<https://deming.org/explore/fourteen-points>) (Retrieved February 12, 2018):

1. *Create constancy of purpose toward improvement of product and service, with the aim to become competitive and to stay in business, and to provide jobs.*
2. *Adopt the new philosophy. We are in a new economic age. Western management must awaken to the challenge, must learn their responsibilities, and take on leadership for change.*
3. *Cease dependence on inspection to achieve quality. Eliminate the need for inspection on a mass basis by building quality into the product in the first place.*
4. *End the practice of awarding business on the basis of price tag. Instead, minimize total cost. Move toward a single supplier for any one item, on a long-term relationship of loyalty and trust.*
5. *Improve constantly and forever the system of production and service, to improve quality and productivity, and thus constantly decrease costs.*
6. *Institute training on the job.*
7. *Institute leadership (see Point 12 and Ch. 8). The aim of supervision should be to help people and machines and gadgets to do a better job. Supervision of management is in need of overhaul, as well as supervision of production workers.*

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8. *Drive out fear, so that everyone may work effectively for the company (see Ch. 3).*
9. *Break down barriers between departments. People in research, design, sales, and production must work as a team, to foresee problems of production and in use that may be encountered with the product or service.*
10. *Eliminate slogans, exhortations, and targets for the work force asking for zero defects and new levels of productivity. Such exhortations only create adversarial relationships, as the bulk of the causes of low quality and low productivity belong to the system and thus lie beyond the power of the work force.*
Eliminate work standards (quotas) on the factory floor. Substitute leadership.
Eliminate management by objective. Eliminate management by numbers, numerical goals. Substitute leadership.
11. *Remove barriers that rob the hourly worker of his right to pride of workmanship. The responsibility of supervisors must be changed from sheer numbers to quality.*
12. *Remove barriers that rob people in management and in engineering of their right to pride of workmanship. This means, inter alia, abolishment of the annual or merit rating and of management by objective (see Ch. 3).*
13. *Institute a vigorous program of education and self-improvement.*
14. *Put everybody in the company to work to accomplish the transformation. The transformation is everybody's job.*

Chapter 3 of his book bears the title '*Diseases and obstacles*' but before we list the 7 '*diseases*' below we would like to bring forth, for the benefit of the readers of my book, that in the Preface to his book Deming has succinctly and with meaningful intent written that:

'Everyone doing his best is not the answer. It is first necessary that people know what to do. Drastic changes are required. The first step in the transformation is to learn how to change: that is to understand and use the 14 points in chapter 2, and to cure themselves of the diseases in chapter 3.

Long term commitment to new learning and new philosophy is required of any management that seeks transformation. The timid and the fainthearted, and people that expect quick results, are doomed to disappointment' (page x)

Listed below are the '*7 deadly diseases*' confronting American and Western management:

1. *Lack of constancy of purpose to plan products and services that will have a market and keep the company afloat.*
2. *An emphasis on short term profits and short term thinking (just the opposite from constancy of purpose to stay in business), fed by fear of unfriendly takeover, and by demand from bankers and owners for dividends.*

3. *Evaluation of performance and annual reviews.*
4. *Mobility of managers and job hopping.*
5. *Management by use only of available data.*
6. *High medical costs.*
7. *High costs of liability.*

A brief Recap...

In this part of the book the 'human relations' movement in industry was highlighted starting with the historic 'Hawthorne Experiments' which came as a functional resolution and handling of the 'antagonistic' relations between employers and workers-employees.

Brief but succinct presentations were made of the major theories relating to motivation of humans as employees, i.e. the theories of Abraham Maslow, Frederick Herzberg and Rensis Likert and those of Douglas McGregor, William Quichy and William Deming.

Raising employees and workers motivation on their job settings usually results in increased productivity and subsequently increased profits for organization owners and managers but the theories presented did not clearly state what would be the specific rewards and benefits for workers/employees .

EPILEGOMENA

While pondering the synthesis of ‘*Epilegomena*’, the core content of the epilogue to this book which I characterized as an *iconoclastic monograph*, three concepts, not directly related at first glance to this book and yet not totally irrelevant to it, came to my mind: *automation, robots, and robotics* underlined by AI (Artificial Intelligence) which undeniably characterize the historical and unprecedented technological feats of the 21st century. After the 1980’s and up to this time the massive introduction of computers, digitalization and the unprecedented-massive development of Artificial Intelligence have been characterized as the Third and Fourth Industrial Revolutions.

I will kindly ask my readers to look again at the title of this book and the well-intended antithesis it purposefully contains: ‘*Psychologically Safe Workplaces: Utopia Revisited*’

Take into serious consideration the current and forthcoming Global projections relating to working conditions, employability and job security. Face realistically the almost cataclysmic changes brought about by massive introduction of information technology, artificial intelligence, ever increasing scale of automation and the use of robots and robotics in production and delivery of goods and services by businesses and organizations.



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Should my epilogue read: *‘Psychologically Safe Workplaces: an antidote to dystopia’*

Looking into the prospects of future employment, not for robots but for the average human beings as employees of corporations and organizations, should the book’s epilogue better be:

‘Psychologically Safe Workplaces: placebos or antidotes to dystopia workplaces?’

I should remind my readers at this point that the definition of *‘utopia’* is an imagined place or state of things in which everything is perfect.

Introducing the term *‘Dystopia’*, a term opposite to *utopia’*, I should note that it has been translated from Greek into English as an imaginary place where people lead dehumanized and often fearful and oppressed lives.

‘Automation’ is generally construed as the process or procedure which is performed without any human assistance. The term is defined by the Oxford dictionary as: *‘the use or introduction of automatic equipment in a manufacturing or other process or facility’* and by the Merriam-Webster dictionary as: *‘the technique of making an apparatus, a process, or a system operate automatically, or, automatically controlled operation of an apparatus, process, or system by mechanical or electronic devices that take the place of human labour’*

The etymology of the term *‘automation’* originates in the Greek word *‘αυτόματο’* and later the Latin version *‘automaton’*, which means *‘acting on its own’* without human intervention. The predecessor to *‘automation’* was *‘mechanization’* i.e. the process of replacing human or animal muscle power with various forms of mechanical power. Etymologically the term *‘mechanization’* also comes from the Greek word *‘μηχανή’* which was adopted by the Romans and developed through Latin in the French term *‘machine’*.

Mikell P. Groover, professor of industrial engineering at Lehigh University in the State of Pennsylvania, USA in his article in the Encyclopedia Britannica writes that *‘Automation’*:

“(is) the application of machines to tasks once performed by human beings or, increasingly, to tasks that would otherwise be impossible. Although the term mechanization is often used to refer to the simple replacement of human labour by machines, automation generally implies the integration of machines into a self-governing system. Automation has revolutionized those areas in which it has been introduced, and there is scarcely an aspect of modern life that has been unaffected by it. The term automation was coined in the automobile industry about 1946 to describe the increased use of automatic devices and controls in mechanized production lines. The origin of the word is attributed to D.S. Harder, an engineering manager at the Ford Motor Company at the time.” <https://www.britannica.com/technology/automation> (Retrieved April 27, 2018).

Historically, mechanization as a large scale process appeared in the early 19th century. The sudden and unprecedented large scale introduction and use of machines in the British textile industry during the *Industrial Revolution*, lead to job loses for thousands of artisans and skilled workers who were being massively and rapidly replaced by machines.

This type of automation-mechanization resulting in massive loss of jobs, livelihoods and drastic changes in the way of life, lead to what has been historically termed as the '*Luddite Rebellion of 1811-1813*', a short lived but fierce resistance of the *Luddites* against British textile manufacturers in the areas of Nottinghamshire, Yorkshire and Lancashire. The *Luddites* entered factories and destroyed machinery not because of an innate hate for machines, but because of what machines did to their jobs, their lives and their communities.

The '*Luddites*' (who supposedly drew their name from a somewhat fictitious figure, Ned Ludd, a young worker who in an act of protest destroyed his boss' machine), destroyed the machines vainly hoping to save their jobs. They were forcefully repelled by manufacturers who had on their side the British Government which in 1812 passed the '*Frame Breaking Act*' making the destruction of machines a '*capital felony*' i.e. a crime punishable by death. Several dozen '*Luddite rebels*' met death by hanging before the Act was repealed in 1814.

There are some who characterize the massive loss of jobs of textile workers replaced by machines as one of the first instances of '*corporate downsizing*' which nowadays takes the form of massive '*redundancies*' under the pressures of falling profits and falling stock prices.

A century after the Luddite Rebellion against the mass-producing machines early in the 20th century, as we already have mentioned in the relevant chapter, at the other side of the Atlantic, in the mid-States of the USA Henry Ford introduced his historic '*Moving assembly lines*' lowering the time needed for producing his 'Model-T' automobiles.

Introducing this type of '*Automation*' Ford did not meet any '*Luddite Rebellion*' from American automobile workers but on the contrary, as we have mentioned above, he gained their support and loyalty offering his workers '*5 dollar a day*' wages. This amount was more than double the average pay offered to workers in other automobile companies. Henry Ford succeeded in lowering the time required for the production of each '*Model-T*' automobile from about 700 minutes to about 90 minutes! Those production times broke existing '*speeds*'.

You and I, nowadays, live in a world characterized by unprecedented speeds not only in manufacturing but also in delivering goods and services across the Globe, where news can be transmitted *instantly* from one end of the world to the other, where sooner than one can imagine it may take only **one day** to travel across the world contrasted to the eighty days needed to do so as described in the 19th century Julius Verne's novel (1873) with the title '*Around the World in Eighty Days*' referring to the travels of British inventor Phileas Fogg.

Kirkpatrick Sale in his book (1996) published with the title '*Rebels against the Future: The Luddites and Their War on The Industrial Revolution*', takes his readers back to early 19th century Great Britain vividly describing that historically first violent technology backlash but he does not stop there. He eloquently discusses a new *Luddite-type-of spirit* that might emerge in response to today's impressive technological revolution expressed not by violence but by posing what he sees as intellectual and ethical challenges to the computer age.

Closing this brief glimpse at '*automation*' I will suggest to my readers Jamie Bartlett's article published in the *Technology* section of The Guardian, on Sunday March 4, 2018 titled: '*Will 2018 be the year of the neo-luddite?*' The article raises a series of some poignant questions related to the immense growth of technology and its effects on the work careers, interpersonal and social relations as well as the cultural effects on the lives of Humans in a world '*controlled*' to various extents by tech Giants such as Google, Facebook and Uber. <https://www.theguardian.com/technology/2018/mar/04/will-2018-be-the-year-of-the-neo-luddite> (Retrieved May 22, 2018).

'*Robot*' is a word which first appeared in a play written in 1920 by Karel Čapek (1890-1938), a Czech writer which was theatrically staged in 1921. Etymologically the word '*robot*' originated in the Czech and Slavonic languages in the form of '*robota*' meaning 'forced labor, servitude or slavery'. The word relates to the Central European practice of Serfdom according

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to which 'tenants' pay back their rent through 'forced labour or forced service'. Karel Čapek had originally used in his play the word 'labori' (etymologically from the Latin word for 'worker'). It was the writer's brother Josef Čapek who suggested as much more impressive and useful the word 'roboti' which was finally incorporated and used in the play.

The paragraph given below, printed on the back page of the reprint edition of the book published by 'Digireads.com' in 2014 summarizes the precarious context of socio-psychological and cultural realities relating to the play's co-existence of humans and robots:

"We have Czech writer Karel Čapek to thank for the invention of the word robot and generally for the introduction of the idea of artificial intelligence to the world of literature. His play, "R.U.R. (Rossum's Universal Robots)" was first performed in 1921 and was an instant success. While the "robots" of the play could be more accurately described as cyborgs, Čapek's influence on the science fiction genre with this play would be profound. "R.U.R." describes a future where robots have become universal and all of humanity is now dependent on the labor that they provide. Everything is perfect until the robots are stirred into revolt. "R.U.R." is Čapek's prophetic and dark dystopian vision of the future which would solidify his place in literary history."

Industrial 'robots' were created and were used in the middle of the 20th century in the USA. In an article describing those robots and where and how they were operationally used which was published in *The Encyclopaedia Britannica*, Austrian born-Canadian computer scientist Hans Peter Moravec has noted that:

"Though not humanoid in form, machines with flexible behaviour and a few humanlike physical attributes have been developed for industry. The first stationary industrial robot was the programmable Unimate, an electronically controlled hydraulic heavy-lifting arm that could repeat arbitrary sequences of motions. It was invented in 1954 by the American engineer George Devol and was developed by Unimation Inc., a company founded in 1956 by American engineer [Joseph Engelberger](#). In 1959 a [prototype](#) of the Unimate was introduced in a [General Motors Corporation die-casting factory in Trenton, New Jersey](#). In 1961 Condec Corp. (after purchasing Unimation the preceding year) delivered the world's first production-line robot to the GM factory; it had the unsavoury task (for humans) of removing and stacking hot metal parts from a die-casting machine. Unimate arms continue to be developed and sold by licensees around the world, with the [automobile industry](#) remaining the largest buyer." <https://www.britannica.com/technology/robot-technology> (Retrieved April 27, 2018).

'**Robotics**' is a term which according to some, is credited to the well-known science fiction writer and professor of Biochemistry Isaac Asimov (1920-1992), who introduced it in his 1942 short-story published with the title: 'Runaround'. I will call my readers attention to the so-called 'three laws of robotics' which Asimov presented in his novel and which are:

1. *A robot may not injure a human being or, through inaction, allow a human being to come to harm.*
2. *A robot must obey the orders given it by human beings except where such orders would conflict with the First Law.*
3. *A robot must protect its own existence as long as such protection does not conflict with the First or Second Laws.*

In his later writings Asimov introduced the ‘*Zeroth Law*’ (0th Law) which stated:

‘A robot may not harm humanity, or by inaction, allow humanity to come to harm.’

Closing the epilogue to my book I will refer to a Report the well-known McKinsey Global Institute made available to the Mass Media across the world in December 2017, titled **‘*What the future of work will mean for jobs, skills, and wages*’**.

The Report authors were James Manyika, Chairman of and a Director at the McKinsey Global Institute, Susan Lund and Michael Chui partners of the Institute, Jacques Bughin and Jonathan Woetzel Directors, Parul Batra a consultant in McKinsey’s San Francisco office, and Ryan Ko and Saurabh Sanghvi consultants in the Silicon Valley office. The full text of the report can be accessed by those of my readers who so desire through the links below:

<https://www.mckinsey.com/featured-insights/future-of-organizations-and-work/what-the-future-of-work-will-mean-for-jobs-skills-and-wages> (Accessed May 23, 2018)

<https://www.mckinsey.com/global-themes/future-of-organizations-and-work/what-the-future-of-work-will-mean-for-jobs-skills-and-wages> (Accessed May 23, 2018)

According to the Report, *automation and robotics* will create a social phenomenon more staggering than the classic shift of labor from agricultural to industrial settings, which had occurred in the USA and Europe in the 19th and in China in the latter part of the 20th century.

Audio visual and printed Mass Media of Communication across the world highlighted the McKinsey report, as it made public the alarming forecast that some 400 to 800 million jobs, now held by humans, will be lost to robots by the year 2030. The McKinsey Global Institute study of 46 countries and 800 occupations estimates that almost one-fifth of the global work force of 4 billion workers will be affected.

Looking at the full Report the reader will see that as jobs will be lost to *automation and robotics*, workers will have to learn new skills in order to be able to secure places of gainful

employment. A similar event, to a smaller scale, had occurred during the 20th century when *automation* by large scale use of computers and Artificial Intelligence was introduced in various sectors of industrial production and in the administration of social organizations.

Some 75 to 375 million people, by the year 2030, may have to switch occupational categories and learn new skills. Indeed, the challenge for many Nations will be to foster retraining programs for their displaced workers or face high unemployment rates and depressed real wages which may potentially spark a variety of social problems and upheavals.

Looking at the world's largest economies, the report underlines that by 2030 some 12% or, in numbers, about 100 million workers in China will have to switch occupations, while the related numbers are forecast to affect one third of the workforces existing in the year 2030 in the USA and Germany, and one half of the workforce existing that same year in Japan.

Some would potentially and understandably pose the question: *'will advanced robotics and advanced automation at one future date exclude most human beings from employment?'*

On this dramatic, emotion-laden question, the Report appears reservedly optimistic relying on historical precedents. The McKinsey Report, emphasizes that all efforts should be systematically applied in the next 13 years until 2030, on the one hand in motivating people

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to seek, and on the other hand having employers and Governments ready to provide them, with new skills as will be required by the new employment realities.

It is interesting to note that according to the Report, some 8 to 9 percent of the 2030 labor demand will be in new types of occupations that have not existed before. This number covers, at best, one-in-ten workers displaced by robots and made '*redundant*' as corporations go '*lean*' on workforces but strong in automation, robots, robotics and Artificial Intelligence.

To these staggering prospects of a mind-blowing march to '*dystopia*' the creation of '*psychologically safe workplaces*' for human employees in the not so distant future will show if they will be '*an antidote or a placebo*' in ameliorating the dire realities of the massive presence and involvement of robots operating with high levels of A.I. at the work places.

Picture in your mind, in the simplest of all possible examples, a dozen years from now a man, his wife and two children in a 'fast food' restaurant placing their order at a computer screen; *Robots* prepare the ordered hamburgers, French fries, side salads and drinks; *Robots* serve the ordered '*fast food*' and *Robots*, standing next to the cash machine, wait to collect the amount owed as shown on the computer screen. All these *Robots* functionally and most efficiently performing their programmed tasks and, indeed, never raising a complaint to management concerning their Government '*guaranteed hourly wages*'.

The surrealistic icon given above could turn more sinister if the head of the family is an unemployed father, once a delivery van driver who was made *redundant* by a company operating '*driver-less*' delivery vans. Will the unemployed father, asked to pay the bill, press the button showing '*cash*', or '*credit-debit card*' or the one showing '*City Council Supported Family*' signifying that in his case the Government and the tax payers are those who will '*foot the bill*'...

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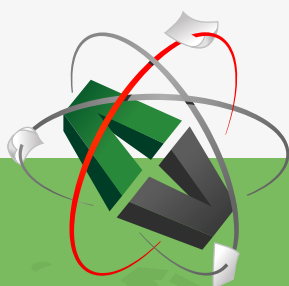
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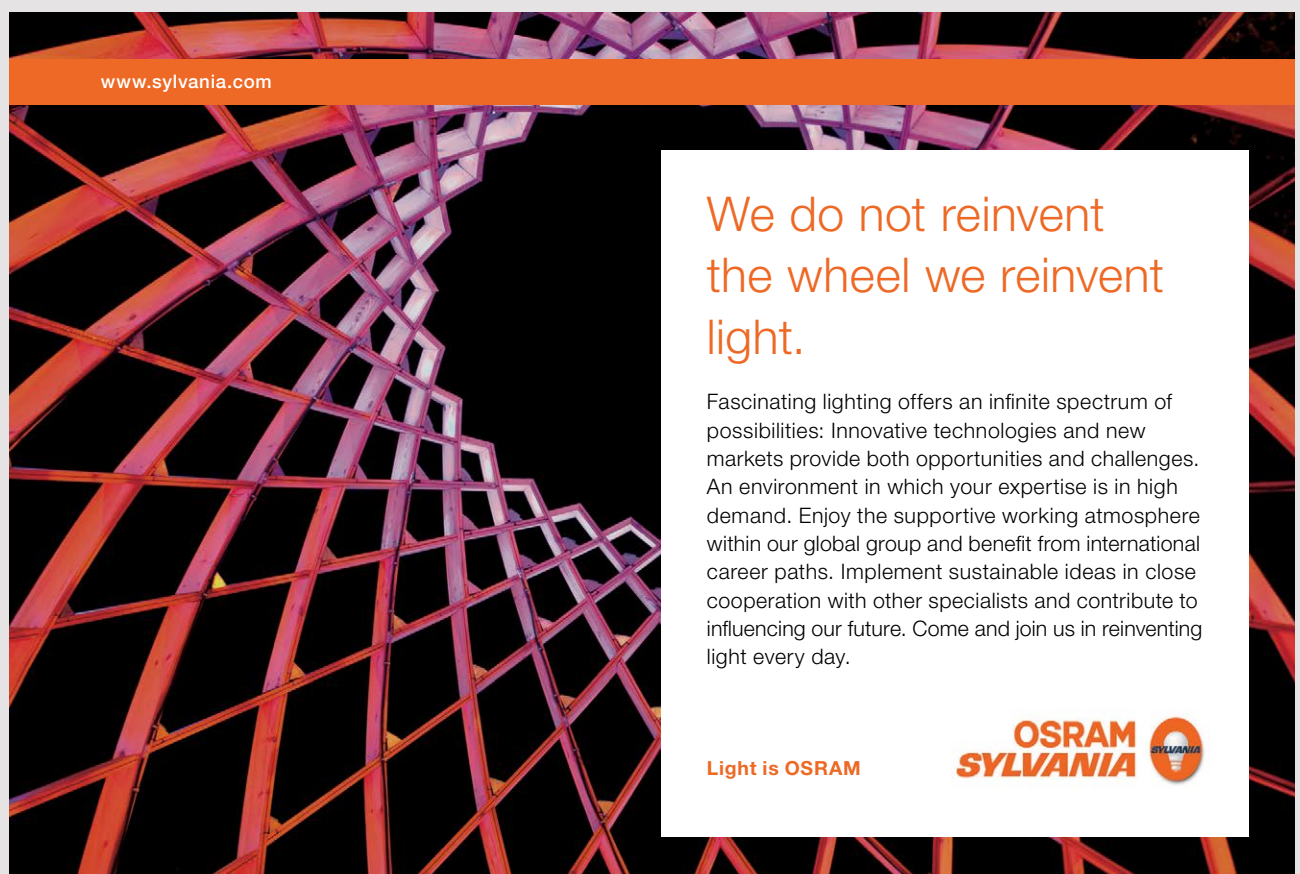
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