



EDITORIAL by FABRIZIO PERRETTI\*



# Americanism and Managerial Models

Managers use new management models to face the problems that arise each time changes appear – in the dimensions and complexity of businesses or in the international competitive environment – that challenge current practices. Those models contain not only a set of management techniques, but also represent the expression of a certain organizational ideology; they are cognitive maps of the social reality that influence the perception and actions of managers and justify their power and authority.<sup>1</sup> While it is true that managerial models are not determined only by economic and technological factors, both do play a fundamental role.

The terms “Americanism” and “Anti-Americanism” are used to indicate the two opposite reactions provoked by American influence (what is called “Americanization”), thus defining the United States in ideological terms as a sociopolitical and economic model to be imitated or to oppose. Already with Tocqueville, the United States became a mandatory point of comparison: “In what other country could we find greater hope and more useful lessons? Let us not turn to America in order to slavishly copy the institutions she has fashioned for herself, but in order that we may better understand what suits us; let us look there for instruction rather than models; let us adopt the principles rather than the details of her laws...”<sup>2</sup>

Although this complex game of references between the two shores of the Atlantic began in the 1800s, it would be in the first decade of the 1900s – when American production and mass society reached maturity – that the United States demanded the attention of Europe. Taylorism, Fordism, large-scale distribution, advertising, free time, new cos-

tumes and new fashions suddenly gained visibility in Europe. In 1929, in an interview with Corrado Alvaro, Luigi Pirandello stated: “Americanism is overwhelming us. I think a new beacon of civilization has been lit over there. The money circulating in the world is American, and it is being followed by life and culture.”<sup>3</sup> As Gramsci pointed out, though,<sup>4</sup> Americanism is not only a question of mere wealth (of “money”), but finds its expression in Fordism, a type of capitalism and society functional to it that – unlike the old European countries, closed in their domestic markets and traditional hierarchies – is able to manage in new forms an industrialism that now moves beyond the horizon of the nation-state and is able to guarantee its own dominion.

## THE AMERICAN CHALLENGE

Innovative industrial methods, technological efficiency, rapid progress in the field of science, and widespread wellbeing compared to European standards not only attracted attention, often with admiration, but also launched a challenge to radical modernization. It was a challenge that became even more evident after World War II, with a devastated Europe and a victorious and triumphant America that came to her aid, but that also continued for the subsequent decades. The American Challenge is in fact the title of a very famous and influential book published by the French journalist and politician Jean-Jacques Servan-Schreiber in 1967, who from the very start highlights the terms of the debate: “The third largest industrial power in the world, after the United States and the Soviet Union, could be, in fifteen years, not Europe, but American industry in Europe. Today, in the ninth year of the Common Market, the organization of this European market is essentially American.”<sup>5</sup>

According to the American Secretary of Defense Robert McNamara – MBA at Harvard Business School and former president of Ford Motor Company – that situation reflected not so much a technological gap, but a substantial lag in the means of organization among European countries: “For some time, the Europeans have called this abyss a ‘technological gap,’ they express their fears and their criticisms saying that we are accumulating such an advantage over them in industrial development as to create a new form of technological colonialism. It is not so much a technological gap as a gap in management, and if many European scientists emigrate to the United States it is not just because we have the most advanced technology, but above all because we have methods of work and management that are more modern and effective.” If the supremacy of the United States was founded on those factors, then the solution to reduce the gap consisted of the introduction and spread of American managerial models in Europe as well.

## THE EUROPEAN CONTEXT

In Europe, in the 1950s an attitude of optimistic and at times uncritical acceptance of the American models had already taken hold, and the development of management education in various countries had entailed, in different forms and to different degrees, effects of standardization of theoretical and institutional models.<sup>6</sup> Despite the differences with America, committing to pursuing productivity in any event meant accepting a large part of American managerial ideals. For some, though, it was just as evident that the pressure for standardization from US management and the attempt to sell Europe the most recent American industrial revolution did not take into account the differences in the social and political structure of the two contexts. In June 1953, in an open letter published in the magazine *World*, Adriano Olivetti wrote that “In order to rise up Europe needs new ideas, not to apply what has been done well or poorly in America.” This statement reflected in part the conflict between the Olivetti vision and the Fordist-Taylorist approach of Vittorio Valletta at FIAT. For a long time, the heads of American industry had in fact believed they held the secret to performance with the chronometers and work rules of Taylor, i.e. embracing the models of so-called “scientific management.” Subsequently, they realized that productivity goals could not be reached without smarter participation by the workers in the life of the company, according to what was indicated by the new models on “human relations.”

In Europe, while some countries such as Germany and Sweden would adopt the human relations approach, although developing it to new levels (in which worker participa-

tion was also reflected in company management), that were sharply distinct and original with respect to the American experience, in other countries such as Italy, for a long time the rearguard approach of scientific management would prevail, and the Olivetti position would in fact be considered a utopian view that would die along with its founder (1960) and with the decline of the business that he had created.

During the 1970s, even after the debate on the managerial gap opened by Servan-Schreiber's book, the interaction between European and US institutions continued with the development of forms of competitive cooperation. The absence of an original European model was in fact perceived even more strongly than the lack of technological individuality. The economic and industrial crisis of the United States in this period called into question the underlying managerial models. The corresponding success of German and Japanese enterprises also contributed to the "collapse of the American management mystique."<sup>7</sup> The doubts on the managerial abilities of the United States arose before, and more intensely in America than in Europe. From the NBC documentary of 1979, "If Japan Can, Why Can't We?" to the special issue of *Business Week* in 1980, "The Reindustrialization of America," passing through the countless articles on Japanese management, that proliferated in the 1980s in specialized magazines such as *Quality Progress*, academic journals such as the *Harvard Business Review*, or popular magazines such as *Fortune*, the critique of American managerial capacity gathered strength.

To Europe, beyond specific managerial techniques, the Japanese experience confirmed that economic development is compatible with a vast range of social institutions and individual behaviors, that can also be distant from the American model. More than imitating its structures, Japan represented an invitation to admit a cultural relativism that allows each country to root the economic constraints of industrialization and progress in its own culture. Italy, with the development of its industrial districts, also contributed to forming original, emerging managerial models that received global attention.<sup>8</sup>

## THE EMPIRE STRIKES BACK

There is no question that alternatives to the American managerial models had success, but this took place above all in the area of industry. In the case of both flexible production or Total Quality Management, the various European or Japanese variants offered different and original solutions to the issue of mass production as originally theorized and practiced in the United States, without, however, "leaving the world of the factory." That is, they did not understand that the American challenge was not so much about mass production and the best methods of managing it, but about capitalism and the institutions underlying it. As exemplified by an American manager at the end of the seventies: "If a German manager wants to increase his production, he studies all the factors that go into the manufacture of his product. But if I want to increase production, I add to these same calculations our research and market predictions so that I will not only know how to produce but how to produce the desired quantity at the lowest cost. What interests me is my profit margin. What interests my European competitor is a factory that produces. It isn't the same thing."<sup>9</sup>

This statement identifies the essence of the gap between those who look at the factory and its best possible functioning, and those who look at the market and profits and have no problems abandoning the former, leaving operations and even the development of more suitable management models to others, to focus their attention on the development of new technologies that allow for the creation of new markets and new opportunities for profit. The alternative models have perfected techniques for an industrial context that has lost strategic importance and that America has gradually abandoned in favor of sectors with better prospects – not only economically – that are decidedly superior, founded on knowledge applied to new technologies (such as internet, pharmaceutical research, or biotechnologies) or new contents (from software to TV series). It is from these contents that the currently dominant management models come from, and once again it is the United States that occupies them and spreads them with companies such as Apple, Google, Facebook, Amazon, or Netflix, that represent their points of origin and reference; and it is also from American society that management models come that place attention on corporate social responsibility (think of the phenomenon of the B Corp) or respect

for diversity and inclusion (think of the theme of women or the LGBTQ world). In this case as well, Europe – despite its historical progress and undeniable temporal advantage in addressing these themes – continues to import managerial discourse and models from the United States.

If we look carefully, some of these dominant management models are not really so new and original, but essentially constitute a combination and concurrence of historically-known models. On the one hand, with the active participation of workers in the immaterial processes of knowledge production in horizontal organizational contexts with few levels of hierarchy, or with flexible work within all-absorbing companies/campuses that provide for the various needs of their employees, there is the recourse to some principles of the “human relations” models; on the other hand, in the material processes of production and distribution, there is the recourse to the techniques and models of “scientific management,” that is, based on precise timing and activities controlled by algorithms, in what is de facto a new form of digital Taylorism. Independent of their contents, the American models are still dominant, and to go back to Gramsci, we could state that the hegemony of these models is strictly connected to the nation that holds global political and economic power. There is no guarantee that the United States will continue to hold this position in the future, and some are looking to China as a possible source of additional developments,<sup>10</sup> where companies such as Haier are already taken as global points of reference.<sup>11</sup>

## THE EUROPEAN DREAM

While the development and success of management models are strictly connected to global economic dynamics with reference above all to the most advanced sectors, it is appropriate to ask what role and future Europe can have on this front, and if the conditions are present for original European thinking. We have certainly made up the managerial gap with regard to the United States. Among so-called management intellectuals, represented by those who create, interpret, and spread managerial knowledge (for example business schools, management gurus, consulting companies, etc.), and management practitioners, or those who use that knowledge in companies and organizations, a global managerial discourse prevails that is inspired by the United States. Students of management around the world study the same manuals and analyze the same business case studies.

Despite sharing the same ideas and concepts, Europe has not, however, closed the gap with the United States, especially in various advanced sectors, such as web platforms or social media, where it is practically absent. Certainly – as recalled also in the article by Andrea Sironi – investing in people is fundamental, and the differences with the United States are still quite evident in various European countries. The problem is that in addition to training and development, it is also necessary to exploit intelligence. The fact that some European countries, including Italy, continue to remain the principal exporters of intelligence to the world is a problem, and thus it is necessary to intervene on what is called the “brain drain.” Yet it is also advisable to review the premise that has amply oriented European thinking, that is, that the divide with the United States depended principally on a gap in management knowledge. Once this gap was closed, the divide remained for Europe, and the uncritical importation of American management models contributed in part to that situation. American managerial rhetoric founded on the market and free enterprise, not only kept far away from the state but in conflict with it, is in fact quite far from reality. To the contrary, in 1967 John Kenneth Galbraith described the importance of a formidable integrated group – the “technostructure” – whose impact occurs through the decisions made jointly by the American administration, large enterprises, and universities through a relationship of cross-fertilization, and the association of factors of production that cause a constant renewal in industrial creation.<sup>12</sup>

Europe looked with admiration and envy to American greatness, thinking that the gap with the United States could be closed by creating an economic union or importing management models that are often containers of ideology more than organizational techniques. As we have observed, though, it is not sufficient to increase the size of markets or uncritically import some models. Institutions and their relations are what make a dif-

ference, and there must be a shared project underlying them. This is the true American challenge that Europe – unlike China – has not fully understood.

The United States had the American dream, and today there is talk of a “Chinese dream.” What does Europe dream about? At times Europe seems to have stopped dreaming, and – again from the standpoint of Gramsci – seems unable to contrast the pessimism of reason (or past experience) with the optimism of the will. Other times, however, it seems that Europe has fallen asleep with the dream of the United States. Appropriating the dreams of others without understanding their true nature is very risky. Perhaps the time has come to wake up and again find the courage to look at the specific reality and develop original models that represent it.

The Dossier of this issue – of which this long editorial is a part – is dedicated to the United States, but from a European perspective. The attempt is to understand the geopolitical and cultural role that America will exercise in the future, including in light of the new presidency, and the importance of its markets. Our companies, in fact, often look to China, almost ignoring the opportunities that the American market offers, or they think – erroneously – that our cultural proximity makes things very simple, when in reality the United States requires commitment and appropriate strategies. The American challenge is present on this level as well. As already stressed by Servan-Schreiber, we have only to understand it, define it, and study it. Enjoy reading!

<sup>1</sup> M.F. Guillén, *Models of Management: Work, Authority, and Organization in a Comparative Perspective*, Chicago, University of Chicago Press, 1994.

<sup>2</sup> A. de Tocqueville, *La democrazia in America*, Torino, Utet, 1968, pp. 10-11.

<sup>3</sup> C. Alvaro, “Pirandello parla della Germania, del cinema sonoro e di altre cose”, *L’Italia letteraria*, 14 April 1929.

<sup>4</sup> A. Gramsci, “Americanismo e fordismo”, *Quaderni del carcere. Vol. III*, Torino, Utet, 1975.

<sup>5</sup> J.-J. Servan-Schreiber, *La sfida americana*, Milan, *Etas Kompass*, 1968.

<sup>6</sup> See G. Gemelli, *Scuole di management: origini e primi sviluppi delle business schools in Italia*, Bologna, *il Mulino*, 1997.

<sup>7</sup> See R.R. Locke, *The Collapse of the American Management Mystique*, Oxford, *Oxford University Press*, 1996.

<sup>8</sup> See M.J. Piore, C.F. Sabel, *The Second Industrial Divide: Possibilities for Prosperity*, New York, *Basic Books*, 1984.

<sup>9</sup> Excerpted from J.-J. Servan-Schreiber, *La sfida americana*, Milan, *Etas Kompass*, 1968, p. 7.

<sup>10</sup> See, for example: T. Hout, D. Michael, “A Chinese Approach to Management”, *Harvard Business Review*, September 2014, pp. 103-107; K.A. Whitley, “What Western Marketers Can Learn from China”, *Harvard Business Review*, May-June 2019, pp. 74-82.

<sup>11</sup> See, for example: G. Hamel, M. Zanini, “The End of Bureaucracy. How a Chinese Appliance Maker is Reinventing Management for the Digital Age”, *Harvard Business Review*, November-December 2018, pp. 50-59.

<sup>12</sup> On the continued relevance of the concept of technostructure, see B. Baudry, A. Chirat, “John Kenneth Galbraith et l’évolution des structures économiques du capitalisme: d’une théorie de l’entrepreneur à une théorie de la grande entreprise?”, *Revue économique*, 69(1), 2018, pp. 159-187.