

Spring 2005

Volume 8, Issue 3

Management History Division

Chair's Letter

Michele A. Govekar

Dear Management History
Division Members:

I'm writing to you from frozen Ohio as we make plans for Annual Meeting activities in sunny, temperate Hawaii. What an opportunity! I hope I will see you all there.

Program Chair Julia Teahen and Professional Development Workshop Chair Karl Moore are still working hard on preparing a constructive program for us. And of course, they're getting a little help from the setting.

The main activity I have to report is the Division Five Year Review. Our report was submitted on February 6, 2005; I have yet to hear from the Academy Division Review committee or the Board relative to any questions or further information.

One item I'd draw to your attention is that Division membership has remained

essentially flat over the period, whereas Academy membership has grown by 29%. Recalling our discussion at the New Orleans meeting, please consider inviting your colleagues to join us. I will be writing last year's presenters to invite their participation in Hawaii and in the Division soon.

In this newsletter, I've included the actual results of our member survey, conducted using the Academy's Technical Support services and Zoomerang.com. For the most part, responses trend in the desired direction. It seems that responding members do value their division membership and are concerned for the division's future.

I look forward to seeing many of you in Honolulu in August.

(The results of the survey are attached at the end of the newsletter – ed.)

Management History Program Review

(Ed. Note: This report should have appeared in

the Fall 2004 newsletter and did not.)

As we move toward the midpoint of the Spring semester, I would like to thank each of you who participated in the Management History (MH) Division's program in New Orleans. The main program sessions were very successful. For example, our lead off session, "A Past, Present, and Future View of the RBV," featured several leading scholars discussing historical, contemporary, and future resource-based view research issues. In addition, the session "Celebrating 70 Years of Schumpeterian/Austrian Influence on Management Research" stimulated lively discussion among presenters and attendees. Both enjoyed capacity crowds as well as included many presenters and attendees who were new to the MH program.

All together, we had participation on the program from scholars having diverse university affiliations and divisional memberships. Presenters, reviewers, and session chairs were affiliated with universities in eight countries on four

continents. We also cooperated with several other divisions for many sessions. For example, of our six symposia, four were held cooperatively with other divisions. In addition, three were Showcase Symposia, and for two of these, MH served as lead division. Similarly, of our 10 paper sessions, six were either shared interest or interactive, interdivisional sessions.

Our award/social events were also well attended. In our award session, "A Conversation with Charles Wrege," we gave Professor Wrege the Ronald G. Greenwood Award for his outstanding contributions to MH research. Professor Wrege also earned the Outstanding Reviewer Award this year. We would like to thank Baker College for their generous sponsorship of the wine and cheese party that followed.

During the MH Social, we recognized Professor Bernie Bass' contribution to the management discipline, in general, and transformational leadership research, in particular, on the occasion of his retirement. We would also like to thank the School of Management, Binghamton

University for sponsoring the Social.

During the Business Meeting, we honored other outstanding participants. Along with Chuck Wrege's Outstanding Reviewer Award, we recognized the following:

Chris Nyland and Tom Heenan received the Outstanding Division Paper Award for their paper, "Mary van Kleek, Taylorism, and the Rule of Knowledge."

Kathleen Park earned the Outstanding PhD Student Paper for her paper, "A Century and More of Merger Mania: Interpreting Cycles of M&A Boom and Bust, 1895-2003."

Putting together a program of this caliber would not have been possible without the help of many of you. We had an international reviewer pool this year that helped out at the front end, as well as several discussants and session chairs, who provided developmental comments for presenters.

Thanks again for all your hard work in putting together another great MH program. I encourage each of you to continue your

participation next year by volunteering to serve on next year's program in Hawaii.

Best regards,

Franz T. Lohrke
2004 Program Chair

Management History Division Professional Development Sessions August 2005 - Hawaii – Tentative Schedule

Karl Moore, PDW Chair

Friday, August 5, 2005

12:00 - 3:00 p.m. Hawaii Navel Docks. This professional development workshop consists of a short symposium which will outline the history of the Honolulu Navel Docks and their naval activities in World War II and beyond. This discussion will be followed by a car/bus trip to the Pearl Harbor National Commemorative Park where we will see the ships that were present at the beginning (USS Arizona) and the end (USS Missouri) of World War II. It is important for Academy members to understand contribution of

industry during World War II.

Saturday, August 6, 2005

9:00 - 10:30 a.m.

**Continental Breakfast
New Member Workshop:
Introduction to the
Academy and the
Management History
Division.**

This workshop introduces new members to the Academy of Management and the Management History Division. Topics include: Managing your time at the AOM meeting, mission and domain of the MH Division, and other similar topics.

Saturday, August 6, 2005,

**10:30-12:00 "Teaching
Situational Leadership
Then and Now".**

This session will be with Paul Hersey, founder and Chairman of The Center for Leadership Studies in Escondido, CA and he is also a Distinguished Professor at NSU Situational Leadership and Ron Campbell, present of the Centre for Leadership Studies.

1:00 - 2:30 p.m.

**Professional
Development in
Academia: Getting
Published This session
discuss publishing
techniques and tricks of
the trade. Publishing**

topics include: articles, textbooks, and case studies.

**Saturday August 6, 2005
"Starting off on the Right**

**Foot: Negotiating your
First Job."** Because negotiation is one of our research specialties and many of us teach courses and seminars on the topic, we would like to share our expertise with members of the Academy, especially with members most in need of negotiation knowledge and skills.

Doctoral students from all divisions will be invited to participate in the session, which will be run by a group of negotiation scholars/teachers in our division. The session will likely include an experiential exercise (i.e., a simulated employment interview) and debriefing, plus a panel discussion and Q&A with the faculty (including some of whom have been deans). This will be co-sponsored Conflict Management and several other divisions.

**Saturday, August 6th,
1:00 – 2:00 pm**

**Philosophies of
Organizational Research:
Marxist Theory and
Organizational Analysis,
Research Philosophy**

In this workshop, we build on the philosophical

foundations of organizational theory by focusing on the organizational dimensions of Marxist class analysis. How does organizational analysis change when, instead of seeing the firm as a group striving for collective goals in a collaborative endeavor, or as a nexus of contracts between consenting market actors, we see it as Marx suggested -- as the instrument of exploitation and domination of one class by another?

We will have four presentations in the PDW, by Paul Adler, by Linda Forbes and John Jermier, by Craig Prichard, and by John Bellamy Foster. The presenters will enrich and challenge contemporary organizational theory by examining key ideas in Marxist class theory as they apply to the analysis of organizations. They will also discuss fine points in the research methodologies that emerge therefrom. Class analysis comes in a number of forms and Marxist class analysis itself is far from homogeneous. Presenters at the workshop will explain this diversity and discuss the possibilities afforded by several of the forms. To facilitate dialogue, presenters will

anchor the discussion in contrasting interpretations of a case presented in a recent journal article.

We will then conclude the presentation with an exercise where the audience will participate in a process of conceptualizing a research project that involves class analysis. Survival Analysis (RM has the lead, 4 hrs, MH would be the 5th sponsor so the commitment would be 45 minutes)

Saturday, August 6, 2005, 15:00-16:00

Management & Organizational History: A New Journal for 2006.

Sage will publish a new journal relevant to our field from February 2006. Entitled *Management & Organizational History*, the journal will foster a broad spectrum of historical approaches to the study of management, organizations and organizing. The journal addresses issues from all areas of management, organization studies, and related fields. The unifying theme of the journal is its historical orientation. The journal is both empirical and theoretical. It seeks to advance innovative historical methods, whether from historians or

non-historians. It facilitates interdisciplinary dialogue, especially between business history and organization theory. Its ethos is reflective, ethical, imaginative, critical, interdisciplinary, and international, as well as historical in orientation. The PDW will provide an opportunity for potential authors, subscribers and reviewers to learn more about the journal. Charles Booth, editor will lead this session.

Saturday, August 6, 2005, 16:00-17:30 Using the Past in Organizations: Memory, History and Commemoration.

In 2003, the Ford Motor Company, Hershey, Harley-Davidson, and other companies celebrated their centennials. These celebrations involved the production and construction of many positive events and artifacts concerning not only the companies' history, but their memory and identity. On a darker note, companies are regularly confronted with aspects of their past they would rather forget - recent examples concern, for example, the official revision of the history of Bertelsmann AG, and the disclosure of IBM's

connections with the pre-war Nazi regime. It seems clear that organizations' pasts are both contested and contestable, that they provide both a resource and a potential hindrance, and that organizational history, memory (or forgetting) and identity are very closely associated. However, the organization science literature is limited in this area. We know very little, for example, about organizations' use of their past as a strategic resource (for purposes of celebration, legitimation, or for innovation, for example); about the treatment of 'bad' memories, or inconvenient histories; about the importance of history and memory in organizational culture, climate and core practices; or about the effects of downsizing on the organizational knowledge-base ('forgetting'). This session would be co-sponsored by Management History and the Managerial and Organizational Cognition Division. Presentors would include: Andrea Casey, Charles Booth, Olivera Fernando and Pablo De Holan.

SUNDAY, AUGUST 7, 2005

**Sunday, August 7, 2005
8:30 - 9:45 a.m.**

**Continental Breakfast
Getting Involved in
Professional**

Development This session discusses how members can get involved in professional development. Topics to be addressed include: Networking and volunteering at professional meetings, getting papers accepted, being an exceptional reviewer, and the role of the discussant.

**Sunday August 7, 2005
10:00 - 11:30 a.m.**

**Doctoral Student
Workshop: Managing
Your Dissertation.**

Experienced dissertation chairs and a recent graduate will present guidelines and practical advice for dissertation students.

**Nominations
Sought**

Please send nominations for the position of Program Chair elect and Newsletter Editor to scarraher@Cameron.edu by March 30. We also are to give the first ever Richard M Hodgetts Award for representing the Management History Division in a positive light. Please also send

nominations with supporting materials to scarraher@Cameron.edu by March 30.

**Greetings MH
Division Students!**

As your student representative, I just wanted to touch base with everyone as we come nearer and nearer to the 2005 Annual meeting in Hawaii.

The Waiting Game. I hope everyone has submitted papers to different divisions to be considered for the program in Hawaii! It's going to be a great meeting. I think we are all holding our breaths right now to see if our papers got in...

AOM Newsletter. You should have all received your AOM News in the mail by now - be sure to crack it open and read through all of the exciting opportunities included in there! Divisions begin announcing their PDWs and other events that will be going on at the meeting this year. Especially relevant for many of us are some of the workshops in the center of the newsletter. Be sure to check your AOM program for workshop times when

you receive it. Here is a list of some that may interest you:

Workshops

- A Negotiation Workshop Preparing Doctoral Students for the Job Market (put on by the Conflict Management Division). This workshop exposes doctoral students to a great team of negotiation experts with the goal of building both the knowledge and skills needed to successfully negotiate your first job.
- A Teaching Workshop on Groups and Teams (also by the CM Division). This PDW will help you design a course or a module on groups and teams, and give you a peek into how an expert does it!
- The Organizational Behavior Teaching Society Doctoral Institute and Teaching Conference (June 14-18 at The University of Scranton; <http://www.obtc.org/>). The purpose is to train promising scholars from research-oriented universities to be better teachers and to help them find ways to

reach their scholarly goals as part of a cohesive academic life.

You will also find some calls for papers for special issues of journals in the newsletter. Please be on the lookout for these kinds of things as the meeting draws closer!

I Need Your Feedback! I will be meeting with the MH Board during the conference in August, so please send me any comments, concerns, or ideas you may have so that I can be your voice in helping to improve our Division's commitment to its student members.

Member News

Publications

Landström, Hans (2005) *Pioneers in Entrepreneurship and Small Business Research*, New York: Springer. Pioneers in Entrepreneurship and Small Business Research mainly address entrepreneurship researchers, but the book would be of interest for many researchers within the Division. The book provides a historical-doctrinal review of the development of entrepreneurship and small

business research (covering an intellectual journey of more than 300 years of knowledge development within the field), but the book also present some of the key pioneers within the field that have shaped the research field during the past three decades.

Structuring the Information Age
Life Insurance and Technology in the Twentieth Century

JoAnne Yates

Structuring the Information Age examines how information-intensive life insurance firms adopted and shaped information processing technology through most of the twentieth century, beginning with tabulating technology, the most immediate commercial predecessor of the computer, and continuing through the 1970s with early computers. The book has two major themes: the reciprocal influence of information technology (IT) and its use, and the influence of past practices on the adoption and use of new technologies. In the 1950s, insurance industry leaders recognized that computers would enable them to integrate processes previously handled separately, but they also understood that they would

have to change their ways of working profoundly to achieve this integration. In choosing equipment and applications, most companies ultimately preferred a gradual, incremental migration to an immediate and radical transformation. This incremental migration helps explain both IT's so-called productivity paradox and IBM's successful transition from tabulators to computers.

Dave Lemak and doctoral student Manjula Salimath "Mary P. Follett: Translating Philosophy into a Paradigm of Life-long Learning." *Management Decision*, 42(10): 1284-1296.

Their work on Mary Parker Follett was also recognized in another piece titled "Mary P. Follett Translating Philosophy to Practice" Where it was awarded "Best Doctoral Student Paper" in the Management History/Education/International Track of the 2004 Annual Meeting of the Southern Management Association.
GLOBAL REACH OF 'CITY BANKERS' BEFORE 1939 ©

Rose M. Prasad, Ph.D.,
Professor of Finance,

Central Michigan University, Sloan 303, Mount Pleasant, Michigan 48859 (fax:989-774-1353 e-mail: prasa1r@cmich.edu) and S. Benjamin Prasad, Ph.D., ©York Research Institute, Fanwood, New Jersey 07023. (I have attached a summary of this work to the end of the newsletter ed.)

Karl Moore of McGill University has an article on "Known World Globalization in the Roman Empire" coming out in the Spring issue of the Academy of International Business's publication Insights.

Karl Moore (McGill University) and David Lewis (Citrus College) will be having a book on international business in the ancient world (2002 BCE to 100 AD) published later this year. It is a follow-up to their much reviewed book, Birth of the Multinational: 2000 Years of International Business History, Copenhagen Business School Press, 1998. This second book will seek to take on board some of the helpful criticism which was correctly aimed at Birth of the Multinational. If anyone is interested is receiving a pre-publication

manuscript to comment on please e-mail Karl at karl.moore@mcgill.ca <<mailto:karl.moore@mcgill.ca>>

Karl Moore (McGill University) and Morgen Witzel (Exeter University) are working on a book, Teaching History for Managers: Notes and Cases. This book is intended as a resource for business academics, particularly at graduate and post-graduate level, who wish to introduce more historically-based material into their teaching programmes. The book includes chapters which can be used as the basis for stand-alone lectures and teaching cases which can be used on a one-off basis, but part or all of the book can also be used to design a coherent teaching programme on subjects such as the origins of current management thought or the use of the methods of historical analysis as a management tool. If any as any comments on the idea please contact karl at karl.moore@mcgill.ca <<mailto:karl.moore@mcgill.ca>>

The History of Management Thought,

5th Edition

Daniel A. Wren, Univ. of Oklahoma
ISBN: 0-471-66922-9
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The Fifth edition of Daniel Wren's classic text provides a comprehensive history of management thought that provides students an understanding of the origin and development of ideas in management. The book traces the evolution of management thought from its earliest, informal days, to the present by examining the backgrounds, ideas and influences of its major contributors. The new edition reflects on the re-emergence of issues in business ethics, corporate governance, and globalization. In addition, Wren includes emerging ideas arising in management thought such as transaction cost theory, agency theory, and the ever-evolving areas of technology. The supplements to the book include a PowerPoint presentation created by Regina Greenwood and Julia Teahen that correlates with the text. Includes additional photographs and art.

Editorially Speaking

Paul Govekar, Newsletter Editor

There is a lot of good information in this month's newsletter. Be sure to check out the results of the member survey that was

done in conjunction with our five year review. What jumps out at me is that the division is not growing along with the rest of the Academy. We as members have to make others aware of the benefits of belonging to this great division. I challenge each of us to find a new member before the next annual meeting.

Our members continue to be active in publishing and creative in developing Professional Development Workshops. Check out the schedule for this year's PDW, there is something there that is sure to interest nearly every member. I look forward to seeing everyone in Honolulu.

HISTORICALLY SPEAKING



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Survey Results



MANAGEMENT HISTORY DIVISION

MH Division Self-Study Survey

Report created on: March 10, 2005



1. Please indicate your responses to the following statements by selecting one of the numbers (1 through 7) after each statement.



<i>The top percentage indicates total respondent ratio; the bottom number represents actual number of respondents selecting the option</i>	1 Disagree Strongly	2 Disagree Somewhat	3 Disagree Slightly	4 Neutral	5 Agree Slightly	6 Agree Somewhat	7 Agree Strongly
1. I feel that I can have a real influence on the division's policies.	2% 1	2% 1	8% 4	30% 16	15% 8	26% 14	17% 9
2. The division spends too much of its money on social events.	31% 16	16% 8	10% 5	37% 19	4% 2	2% 1	0% 0
3. The division's leaders are very responsive to its members concerns and interests.	0% 0	2% 1	0% 0	21% 11	17% 9	37% 19	23% 12
4. Generally speaking, the division's program at the Academy meeting is both interesting and useful to me.	0% 0	11% 6	0% 0	7% 4	20% 11	28% 15	33% 18
5. Access to the division's leadership positions (e.g., program chair, division chair, newsletter editor, etc.) is controlled by a self-perpetuating elite group.	25% 13	23% 12	4% 2	25% 13	6% 3	6% 3	12% 6
6. The division's pre-conference activities provide members with a valuable service.	0% 0	6% 3	4% 2	31% 16	14% 7	27% 14	18% 9
7. The division needs to spend more money on things that would help its members professionally.	6% 3	23% 12	4% 2	35% 18	23% 12	10% 5	0% 0



2. Is this your primary division?

	Number of Responses	Response Ratio
Yes 	21	40%
No 	32	60%
Total	53	100%
VIEW 30 Responses		

3. Did you submit a paper/symposium to this division this year or last year?

	Number of Responses	Response Ratio
Yes 	22	41%
No 	32	59%
Total	54	100%

4. Do you read the division newsletter?		Number of Responses	Response Ratio
Yes		47	85%
No		8	15%
Total		55	100%

5. Do you subscribe to the division list-serve (MH-L)?		Number of Responses	Response Ratio
Yes		18	33%
No		37	67%
Total		55	100%

Additional Services

Please **rank order** your reasons for membership in the division:

6. (1=Most important, 2=Second most, etc.)

<i>The top percentage indicates total respondent ratio; the bottom number represents actual number of respondents selecting the option</i>	1	2	3	4	5	6
1. research interests	57% 25	16% 7	14% 6	2% 1	9% 4	2% 1
2. teaching interests	21% 8	26% 10	26% 10	5% 2	13% 5	8% 3
3. training (to learn more about the domain)	5% 2	36% 16	30% 13	23% 10	5% 2	2% 1
4. social activities	2% 1	7% 3	29% 12	40% 17	12% 5	10% 4
5. tradition (I have always been a member)	17% 8	15% 7	8% 4	10% 5	31% 15	19% 9
6. Other, please specify in the next question	33% 4	8% 1	8% 1	8% 1	0% 0	42% 5

GLOBAL REACH OF 'CITY BANKERS' BEFORE 1939 © (about 2150 words)

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Globalization is a “fluid concept” (Prasad, 2004). It can be construed at least at three levels: (a) the means, (b) the process, and (c) the outcome. While level (c) evokes mixed emotions (+ or -), (a) and (b), in the context of the firm, lend themselves to evidence-based historical narrations. In other words, one could address the question of “how”, as in *how some banks, even before 1950, became multinational*. In outlining the global reach of City Bank of New York—founded in 1812, and ranked the largest financial firm in the world in 2004—we focus on the bankers. By ‘City Bankers’ our reference here is to the bank executives who led (or misled) the City Bank, 1812-1939. This note is organized into three sections: I. Relevant Literature; II. ‘City Bankers’; and III. Pre-1939 Forays into multinational banking.

I. Relevant Literature

Under the provisions of The Federal Reserve Act, 1913, some (U.S.) national banks proceeded to directly invest abroad. There were banks in Europe as well that had evolved as national → multinational → global banks. For example, before Rotterdam Bank and Amsterdam Bank, founded in 1861 and 1871 respectively, merged with each other (Werf, 1999), each traversed the expansion paths similar to those of City Bank and Chase National Bank. The process, however, was uneven because, as Cattani & Tschoegl (2002) put it: “Each firm has [had] a unique history located in time and space”. Yet, the significance of commercial lending, including trade-financing, remained unparalleled in the capital flows in history, except perhaps during major wars.

That banks, for centuries, have been ‘knowledge-based organizations’ is consistent with the financial history literature. Focus on knowledge- and proprietary knowledge-related constructs in management and organization theories had their roots in the economics of industrial organizations, as for example, in Penrose (1976); Teece (1985); Casson (1990); Moran & Ghoshal (1996); and Kogut (2000). The foci of such theoretical research, in our view, is ‘more internal than external’—how to create knowledge, how to convert it into innovation, how to transfer/diffuse it, how to leverage and safeguard it and so forth.

In banking literature, in contrast, the focus has been ‘more external than internal’. A banking firm, conceptualized as an intermediary (Benston & Smith, 1976; Campbell & Kracaw, 1980; Greenbaum & Thakor, 1993), possesses extended cognate knowledge—proprietary, in-house, unshared, trust-based, and often coded intelligence—a unique knowledge set, denoted by Groth and Nixon (1992) as “privileged knowledge”. Such knowledge is vital in minimizing costs associated with asymmetric information. In addition to structured financing and commercial lending, banks in general had been offering other information services to their clients and, in so doing, some have built up worldwide reputations for certain services. Such reputations often constitutes the cardinal basis for banks’ competitive advantage. Even though many banks possessed such knowledge, only some possessed the privileged knowledge, and were led by individuals who knew how best to leverage it .

Several research studies (for example, Brimmer & Dahl 1975; Aliber 1976; Grubel 1977; Khoury 1979; Rugman 1982, Yannopolous 1983; Williams (1997); Seth, Nolle & Mohanty 1998; Yamori 1998) shed light on the dynamics of the growth of banks founded in the United States, and other industrialized nations. Of equal interest to management and organizational scholars are the executives of banks. In the following section, we attempt to focus on the City Bankers—the executives of the City Bank of New York, 1812-1950. As readers would readily recognize the financial firm founded almost two centuries ago has evolved as CitiGroup which, with its operations spread across more than one hundred countries, had netted \$73.8 billion in 2000-2004 period.

Private, merchant and investment bankers in the 19th and 20th centuries were not only the leaders of their banking firms, but they also played multiple roles in government, community, and some times in inter-governmental relations. Moreover, bankers have been entrepreneurs in their own right (Martin 1865; Grindon, 1878; Hoggson, 1926; Cassis, 1992) even though some of them enriched themselves as CEOs at the cost of other stakeholders— akin to an *Enronish* act. In the not-too-distant past, the Rockefellers, and the Morgans in the United States, and the Rothschilds in Europe exemplified such financial entrepreneurial roles. Of course, being entrepreneurial has

always meant taking calculated risks in ventures that are novel. In order to conceptualize this behavior, business historians have developed frameworks, some were implied and others explicit. At the apex of the latter is the all-too familiar Chandlerian framework, and the Wilkins' (1997) perspective. In the latter, the (financial and non-financial) multinational enterprise (MNE) is viewed as an evolving dynamic entity whose movement in time is both path-dependent and inter-dependent¹.

II. 'City Bankers'

In 1811, a group of merchants in New York City founded the City Bank. It was a bank of and for the wholesale merchants. The first CEO was Samuel Osgood (1812-1813). Within a few years, the bank was on the verge of failure. It was rescued by Isaac Wright who not only took equity control, but named himself the CEO and governed the City Bank, 1827-1832. After Wright, the bank had to be rescued again. In 1837, John Jacob Astor acquired control, and placed his protégé Moses Taylor as CEO (1856-1882) who, in turn, began accumulating his own equity in the Bank. City Bank received its national charter in 1865, after the National Banking Act was passed. Taylor's son-in-law, Percy Payne, was made the CEO, but he was inept as a banker. After he stepped down, James Stillman was named successor. He succeeded in transforming the City Bank into a global behemoth during his long tenure as President 1891-1909 and as the first Chairman, 1909-1918.

Stillman was a banker and a merchant on his own. He not only managed the Bank, but turned it into an instrument to augment his personal business empire, and became a major shareholder along with his friend William Rockefeller. Stillman had built "close financial links with leading Wall Street brokerage firms, correspondent banks around the world, and the government of the United States" (Cleveland and Huertas 1985, p.33). To its clients, the Bank provided not only credit, but a plethora of financial services. In other words, City Bank possessed the 'priveledged knowledge' and dispensed it for a price—banking fees.

III. Pre-1939 Forays into Multinational Banking

In the nineteenth century, the U.S. foreign trade was generally financed through the American subsidiaries of foreign banks and financial houses. It is needless to say that financing foreign trade and foreign exchange go hand in hand. Within three years after setting up its own foreign exchange unit, by 1902, City Bank's foreign exchange competence was on par with that of its rival, First National Bank of Chicago. While we could not find archival evidence about the individuals who were employed the foreign exchange department, such details are significant for the notion of 'evolutionary dynamics' (Lenway & Murtha, 2004).

Through its foreign exchange department, the Bank transferred funds from one point to another around the globe and financed burgeoning foreign trade of the United States "particularly in the cotton business" thanks to Stillman owned-brokerage firms that were major players in the cotton trading business. The Bank also had developed, over the years, extensive correspondent banking network with Midland Bank (England), the Deutsche Bank (Germany), the Hong Kong and Shanghai Bank (Hong Kong).

With an array of activities to manage—his own enterprises and the National City Bank, Stillman brought in Frank Vanderlip, an assistant United States Treasury Secretary, in 1901. In his government position, Mr. Vanderlip had become personally acquainted with bankers from across the United States. His financial expertise was in "bond trading" to which end, the Bank set up a private wire network. The messages would not have been in plain English. In addition, Vanderlip had also urged Stillman to acquire an equity interest in the International Banking Corporation (IBC), (a U.S. overseas bank) which had been in banking business for nearly a century in the Orient. In 1905, when a cofounder of IBC died, Stillman promptly made a strategic move and acquired IBC. It meant the National City Bank's reach into Asia.

In 1909, Vanderlip sent one of his assistants to South America "to look into the question of whether local branches would be profitable." (Cleveland and Huertas, 1985:77-78).

Subsequently, in 1915, the Bank opened an office in Rio de Janeiro, Brazil. Furthermore, as a mechanism to more actively enter into international banking, Vanderlip also initiated and created a trust company under the State charter, National City Company. Two of the three principals of the trust company were Stillman and Vanderlip. A trust company was not subject to the same rules as did a national bank. All of these could be reframed as anticipatory activities predating the 1913 Act.

Conclusion

Under the provisions of the Federal Reserve Act 1913, City Bank began directly investing abroad, and by 1939 it had emerged as a full-fledged multinational financial institution, accomplishing its growth mainly by means of mergers and acquisitions. Money center banks have always been knowledge organizations, especially the type referred to as the ‘priveledged knowledge’, and the correspondent relationships with banks in other parts of the world is the same historical phenomenon currently touted as networks in the literature on non-financial multinational enterprises. The seeds of globalization of City Bank were sown by CEO James Stillman in the early 1900s. He was a banking entrepreneur, a business architect and was instrumental in establishing enduring network relationships in money centers in Europe and the Middle-East. In conclusion, we posit that the evolutionary dynamics, can be identified with two important dimensions of research interest to management scholars: (a) growth of banks by means of mergers and acquisitions (M&A) the studies of which abound, and (b) the multiple roles which the bankers played the major role in building their banks at home and abroad. At the time of this writing, the documentary evidence on (b) is sparse.

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¹ Interdependency in today's global business context is best described as the mutual dependence of two entities, as for example, a foreign firm and a host-nation, both of which are legal entities. The efficacy of the firm and of the legal (institutional) framework are interdependent. Similarly, interdependency can be construed between two nations, as in the simplified context such as consumers in the United States buying more and more China-made products, China's rapidly building up its dollar reserves and reinvesting in the form of U.S. Treasury Bonds, and so forth.