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BOOK REVIEW

Antony Jay, *Management and Machiavelli*, pp. x, 244, Holt, Rinehart, and Winston, New York, 1968.

(Editor's Note: *This is a review of a book not concerned with actuarial matters, but nonetheless of more than usual interest. We believe that such books should be brought to the attention of our readers and we welcome suggestions for future reviews.*)

by John B. Cumming

Anyone who aspires to lead a major business organization will find this book provocative. The author, an English management consultant, was reading Machiavelli's *The Prince* when he had an experience not unlike the tower experience of Martin Luther. "I thought I was browsing agreeably among the remote political problems of Renaissance Italian states, when suddenly I encountered a sentence which . . . in a few seconds . . . transformed my attitude to the book, to Machiavelli, to management, and to political history." The sentence concerned colonies and Mr. Jay's sudden intuitive insight was its application to the problem of integrating a taken-over firm into an existing organization.

The principle to which this insight led him forms the subject of the book. This principle is that the study of history, because of the richness of sources and depth of experience, can prove more fruitful for managers and potential managers than the study of management science itself.

Moral Questions

It is not a new idea; advocates of liberal arts training for future business leaders have long been vocal, but Mr. Jay presents it with unusual force and, by making the principle explicit, he has performed a useful service. There are, however, perplexing aspects of this book which tend to diminish somewhat the value it might otherwise have had.

Although the author adopts the posture of an historian, he remains a management consultant and fails to come to grips with the moral questions with which historians, and top executives, must grapple. In this respect, he is at one with his model — Machiavelli's *The Prince*. Thus, in the early part of the

book the author seems to question rhetorically: If States can practice *Realpolitik* and profit by it, why not corporations?

This theme is moderated in the later chapters. . . . perhaps because the author gradually moves away from the guise of historian and political scientist into the field with which he is most familiar—that of the management consultant. In the early part of the book, for example, Mr. Jay seems to favor an autocratic organization (predicated on a philosopher-king autocrat). At this point he is still in the realm of history, contrasting the Ottoman Empire with medieval France.

By Chapter 23, on the other hand, he is ready to write of "Democracy and the Corporation State." This is not the democracy of universal suffrage, but rather a variant of democratic centralism. In Mr. Jay's words: "But, in a popular sense, 'democratic' means something else; an attitude, an instinct, a way of doing things, which consults people in advance, and takes account of their views and wishes and ideas before making final decisions."

Outside the Organization

Although there is a moral judgment, and a moral standard, implicit in the advocacy of the democratic attitude, Mr. Jay, unfortunately, continues to ignore at the end of the book, as at the beginning, the question of how the actions and decisions of corporation executives, and ultimately of the corporate organization, ought to relate to those outside the organization who will be affected.

To illustrate: How much should a corporation reveal about itself to avoid misleading potential customers? Is the proper principle *caveat emptor* or mutual trust and candor? The author neglects questions like this, and does not indicate the lessons history can provide those who seek answers.

Mr. Jay unquestioningly follows the Great Man school of historical interpretation, just as he advocates the Great Manager approach to effective organizational administration. But his concept of authority, basic to both history and management, is surprisingly undeveloped. It seems to be linked in the author's mind to creativity, but, since the topic is never explicitly discussed, even this is difficult to ascertain.

The influence of sociology, psychology and anthropology, as well as economics on the writing of history has been immense in recent years. A consequence has been the development of a new method of analysis in the writing of history. Basically, static structures, such as social castes, are studied and these are used to examine the forces that produce social mobility. In a fashion, this parallels the actuarial use of the life table to project changes in population structure. Business managers can also learn from what is being done in these related disciplines. The experience of historians with the application of scientific techniques to historical analysis can alert organization leaders, attempting a similar synthesis, to some of the pitfalls.

Mr. Jay has given us an approach. Others will have to define the method. Mr. Jay has applied history to justify principles discovered in his practice as a management consultant. He has outlined the task. Others will have to carry out the work still needed to build management theory and practice from the quarry of the past.

Book Offers Much

This book has much to offer anyone interested in management. At some points the author compresses years of management wisdom into capsule form. For example: "All too often the man who says he has the communications problem actually is the communications problem. His transmitter is always going full blast, and he never switches over to his receiver."

Young actuaries, who are frustrated because they think they can contribute more to the management of their companies than the structure permits, will find the chapter "Spot the Winner" stimulating and encouraging. Others may be intrigued by a chapter on "The Yogi and The Commissar."

This is an important management book and we recommend that it be read as such. Those who are already convinced that history has much to offer managers will have the pleasure of an evening spent with a stimulating book. Those who do need convincing may be induced to pursue the study of history. □