

THE ECONOMIC AND SOCIAL RESEARCH INSTITUTE

IRISH ENTREPRENEURS  
SPEAK FOR THEMSELVES

M. P. FOGARTY

*BROADSHEET No. 8*

*DECEMBER, 1973*

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## *Foreword*

**T**HIS report is written around a particular problem arising at a particular stage in the development of Ireland from an agricultural, largely subsistence, into a fully developed modern economy. But it is also by its subject a contribution to the general literature on development and entrepreneurship, and it is worth while to situate it in that context.

No two developing countries follow precisely the same course, but in all histories of development similar elements appear. On the one side is the list of problems which all developing countries have to solve at some stage or other; the choice and building up of an elite and the values which it is to incorporate, the acquisition of the tools of development and the accumulation of resources for it, the creation of political, educational and physical infrastructures, the balance between the development of different sectors, especially industrial and agricultural, and the management of the economic and social development process itself. On the other is the universal and necessary tendency to proceed stepwise, concentrating in each country in each generation on the problems which seem most important in that generation, and then proceeding to others which seem marginally more important in the next, rather than attempting with limited resources to advance on all fronts at once.

The modern development of what is now the Republic of Ireland can be dated from the early nineteenth century, after the Act of Union with Britain, when the initiative in Irish affairs passed from the Anglo-Irish to the natives of the country. A first period of four generations—the classic time-period for a major change in the direction of a nation's development—was occupied with the development of a native nationalist elite and with problems of political independence and the control and ownership of the land. A second period

opened with independence, and has been concerned with building a modern industrialised society on the political, agrarian, and nationalist foundations already laid. A first generation of this new period concerned itself with acquiring the tools of modern economic development—including making the first necessary practical experiments—and with developing the physical infrastructure and rounding out the political concepts and practice of the ruling elite, especially as regards Ireland's role in the world outside.

From this generation has followed another, the sixth of the whole series, in which a swift and large-scale take-off into industrialisation and modernisation occurred, resting on all the work that had gone before. Economic growth, in this sixth generation, was based in the first instance on foreign enterprise. But as the sixth generation has drawn on, the need has become increasingly apparent to balance foreign with an increased contribution from native enterprise, and it is at this point, towards the end of the sixth generation, that the subject of the present report falls. As seen through the eyes of those who are themselves successful native industrial entrepreneurs, what steps are needed—what has remained undone in Irish development up to date—to multiply the number of those who are willing to follow in their entrepreneurial footsteps?

The answer is, of course, specific to the particular problems arising at a specific time in the specific case of Ireland, but can also be a useful reminder of points which may be relevant to other developing countries and to the promotion of entrepreneurship anywhere.

It appears that the way in which Irish entrepreneurs see their role, and the conditions which they see as needed to favour it, do not differ substantially from what is found in other countries. So far as this goes, the Irish case fits in with only detailed modifications to the general body of findings about entrepreneurship throughout the world.

What turns out to be, in Irish entrepreneurs' eyes, the most important gap is one which arises from the particular choice of priorities made in Ireland in past generations. Ireland has done

well, as they see it, in acquiring the economic, technical and managerial tools for developing native enterprise, though of course a number of particular suggestions for further improvement can always be made. What has not been done is to change the general culture of Ireland in ways which maximise the propensity and capacity for practical initiative among the people and especially their capacity for industrial entrepreneurship. It is possible, they indicate, to do this without sacrificing other values of the quality of life which Irish people do not wish to give up; their own careers are often a practical illustration of this. But it has not been done, or at any rate done on any sufficient scale. The message they send out is addressed, not primarily to those who handle the technical or economic tools of development, but to families, schools, colleges, and to management itself as educator and trainer. It is that, as a result of concentration on other aspects of development in the past, there has been left in Ireland a cultural lag, a deficiency in the non-academic, moral, and practical education of the people, which needs to be made good in the interests not only of economic growth and of the nation's control of its own economy but of the full development and enrichment of Irish people's personalities themselves.

I take this opportunity to express my appreciation for the patience of Irish entrepreneurs who supplied the interview material on which this report is based, and of the people in many fields who helped in the early stages of the project and in criticising drafts. I also add my regret that, having changed jobs and left Ireland, I have not been able to round out this project into the full form originally planned.

## *Introduction*

**I**N the league table of successful economic development, Ireland stands high. In the middle of the nineteenth century productivity in what is now the Republic of Ireland was at the level found today in India. Since then it has been multiplied in real terms between ten and eleven times [1].

The traditional foundation of what might be called Enterprise Ireland was livestock and especially cattle raising, with its ancillary activities of dairying and meat processing. In the years before independence one of the world's most successful agrarian revolutions was forced through, and in turn laid the foundation for much of the national effort in the war for independence itself [2]. In the generation after independence the development of agriculture was for a time checked. Far more farming capacity was available than could be used for consumption within the country, and overseas markets ceased in the 'thirties to be open or reliable; especially the largest of all, the British market. But this setback has since been overcome. A reasonably stable share of the British market was negotiated, and this has now been widened out into guaranteed access on equal terms to the whole European market. Agriculture has begun to develop its own industrial revolution, based on growing application of science and a business approach to farming itself, and on control through co-operatives of farm-based business beyond the farm gate itself. Ireland's agricultural enterprise remains a sound and profitable one with excellent prospects based on good capacity to compete.

But even with these good prospects, agriculture does not in today's technical conditions have the capacity to employ more than a minority of the work force and other resources available in Ireland. Accordingly, in the generation after independence and the Civil War Enterprise Ireland began to diversify. The

foundations were laid for what has proved a highly successful drive for industrialisation and the development of the tourist trade.

The pay-off from this in terms of employment began already in the 'thirties, but, especially on the industrial side, teething troubles continued till the end of the 'fifties. At the outset, in the 'thirties, the industrial policy needed was one of self-sufficiency, and of protection for the home market and for Irish-owned enterprise. Only a few Irish-based industries were strong enough to survive under free trade or to export. Time was also needed to invent, experiment with, and institutionalise a network of public and private agencies to promote industrial development and steer it. But industrial protection proved a mixed blessing. It brought new firms and jobs into existence, and in due course the new firms began to find their feet. But it also kept prices high and saved businesses the trouble of meeting the more demanding standards of export markets. Indeed it gave them a strong financial incentive not to do so [3]. It failed to create a climate of enterprise dynamic enough to bring enough new jobs into existence to employ—even with the help of the developing tourist industry—the balance of the work force for which there was no room in agriculture.

Step by step, especially from the middle 'fifties, Irish economic policy accordingly moved towards promoting export-oriented industry, capable of competing on world standards, and towards doing this largely by bringing in foreign firms already accustomed to these standards. In effect, Enterprise Ireland diversified again by entering into the business of leasing or selling production facilities—real estate, plant and labour—to industry from overseas. A formidable arsenal of means for promoting the country's development was built up.\* Along

\*The list includes:—

- promotional and marketing services such as those of C6ras Tr6cht6la, the Industrial Development Authority, Bord Failte, Bord Baine, or CBF.
- financial services such as those of the Industrial or Agricultural Credit Corporations or the merchant and investment banks.
- training services, as of AnCO or the Irish Management Institute.

with this, rather later, came a move towards free trade under the Anglo-Irish Free Trade Agreement of 1966 and in the EEC. Trade barriers began to be phased out.

This last reorientation of Irish economic policy should not be seen as resting on economic grounds alone. It formed part of a more general reassessment of Ireland's place in the world, a search by the country for its proper place after independence. The first trend of Irish policy in the new Irish state was to affirm the country's independence, both political and economic, and to provide the means of exercising it. But this has been followed by a further stage, a new synthesis between the demand that Ireland should hold to its independence and its national and cultural identity and recognition of the duty and profit of participating in a world community. Increasingly the trend has been to come out from the fortress, to collaborate politically in the United Nations and other international bodies, and to join in building areas of free trade and open opportunity through the Anglo-Irish Free Trade Agreement and within the EEC.

These multiple moves towards diversifying Enterprise Ireland—building up tourism, building a small but viable industrial capability under Irish ownership, developing the business or leasing and selling facilities—have proved a profitable investment in terms of social as well as individual enterprise costs and benefits. The pace of economic development was checked in the second World War and again in the 'fifties. But at the end of the 'fifties the full pay-off from the development in institutions, infrastructure [4], and enterprise promotion in the previous thirty years became apparent. From 1958/59

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—research and advisory services, notably of the Agricultural Institute and the Institute for Industrial Research and Standards.

—a solid infrastructure of housing, roads, fuel and power supplies, and industrial estates.

—a developed capacity for industrial work and management, including state enterprise.

—national and regional machinery for economic planning; and a general re-orientation of the machinery of government towards development rather than administration.

unemployment fell sharply, and during the 'sixties net emigration was brought down to a quarter or less of what it had been ten or fifteen years before. A qualitative change became apparent in industrial relations and the labour market, a revolution of rising expectations expressed both in demands for a faster move towards a higher standard of living and in less willingness to hang on to any job, however unsuitable, at any cost. By 1969 industrial exports and employment exceeded agricultural, and the tourist trade was adding another quarter to the combined exports of both. The scale of business enterprise increased. In 1938 Ireland had 15 manufacturing establishments employing over 500. By 1958 there were 31, and 37 firms employed this number in one establishment or more. By the end of the 'sixties the number of firms of this size may have doubled again [5]. These figures include foreign-owned firms, but Irish firms shared in the trend towards larger scale. By the beginning of the 'seventies it was no longer particularly surprising to see the appearance, not merely of large foreign-owned enterprises in Ireland, but of a new Irish-owned enterprise employing several thousands, for example the Jefferson Smurfit Group. Nor was it any longer surprising to find firms such as Youghal Carpets, Waterford Glass, Roadstone-Cement, Ryans Tourist Holdings, or—on its hotel side—Aer Lingus expanding into enterprise outside the country, whether in their own name or by taking over foreign businesses. And all this was in addition to the improved prospects for farming resulting from freer trade in the EEC.

But with all this, a number of problems of economic development have remained unresolved. Some are occasional and *ad hoc*, but others concern the permanent framework of Irish society and the Irish economy; for example problems of incomes policy and the distribution of wealth, or of urbanisation and regional development. Above all, great though the improvement in the position over unemployment and emigration has been, the pace of economic development had continued to fall well short of what is needed to permit full utilisation of the work force. Unemployment as officially

recorded has remained since the mid-'sixties around 6 per cent or 7 per cent of the insured work force, a very high figure by the standards of the rest of Europe. Unemployment among married women (other than on farms, and other than widows) willing and available for work was running in the early 'seventies around 30 per cent and little of it was registered in the official statistics [6]. Though many uneconomic farms and much of the surplus of under-employed "relatives assisting" on farms have been eliminated [7], a substantial number of farmers remain on holdings too small to employ them fully, and may or may not be able to balance this by finding other work outside farming [8]. This form of under-employment likewise remains largely unregistered in the official statistics. ESRI studies underline the low quality and insecurity of many even of those jobs which workers do manage to obtain, notably in the construction industries [9]. The true volume of unemployment in Ireland in recent years may well have been twice or three times as high as the 60,000 to 70,000 officially recorded, and there has been little prospect of new employment on the scale required materialising quickly.

This high and continuing unemployment and under-employment is one starting point of this paper. Impressive as the achievements of Irish economic development in recent decades have been, the target needs to be raised further and the pace quickened.

The second starting point is that in so far as the new development required is industrial, it will for both political and economic reasons need to come much more than in the last twenty years from Irish-owned enterprise. Many of the most promising lines for business development in Ireland, of course, continue to be in areas other than in industry. Some are in farming, which for practical purposes is wholly Irish-owned. Others are in areas such as tourism or financial, cultural, and communication services; in banking (including investment banking) and insurance, in shipping, in the export of research and professional services, or in creating the large recreational complexes which may be the next major line of development for

tourism. In these areas problems of building new Irish organisations or strengthening existing ones to make them internationally competitive do certainly arise and would be appropriate areas for a further study. But industrial development will still have to play a major part, over and above anything that may be achieved in these fields, and it is on the Irish-owned contribution to Ireland's further industrial development that this paper focuses.

This contribution has not, in recent years, developed as strongly as might have been hoped. From 1960 to 1970 foreign enterprises accounted for 70 per cent of the new industrial developments assisted by the Industrial Development Authority and three-quarters of the capital invested in them, and there is as yet no clear reason to expect this ratio to change in the next few years. Foreign firms also accounted for a very substantial proportion of the growth in this period of Irish industrial exports [10]. At the same time there was a marked penetration of foreign ownership into the less solidly established parts of existing Irish industry. For 1963 the Irish Management Institute estimated the proportion of foreign-controlled manufacturing firms at 28 per cent in the case of firms employing 500 or more and 9-10 per cent of those employing from 20 to 499 [11]. Annette O'Toole has thrown light on the extent of further changes in the ownership of Irish enterprises from 1963 to 1969 with the help of two samples. One includes the 67 firms which appeared between these dates in the annual *Irish Times* list of the Top Fifty Irish-registered companies in the private sector, mainly in industry. The other covers 210 firms other than those in the Top Fifty, 115 in manufacturing and 95 in distribution and services.

Among the Top Fifty companies there was in these years a net loss of four to foreign control. Fifty-five companies were Irish-controlled at the beginning of the period and 12 foreign-controlled. Six passed during the period from Irish to foreign control. But in two firms control changed in the opposite direction, and in all the 67 companies together, the proportion of equity capital owned in Ireland increased fractionally, from

72 per cent to 73 per cent. The appeal of these companies to the Irish public also widened. The number of their equity shareholders in Ireland, other than banks, institutions and enterprises, rose from 35,500 to 64,300 and the proportion of their equity capital owned by shareholders with less than 5 per cent of each company's equity rose from 63 per cent to 66 per cent overall, and from 76 per cent to 78 per cent in the case of capital owned within the Republic. The issued equity capital of the Irish-owned companies in this group was £20,785,000 in 1963 and £37,189,000 in 1969. In this group, therefore, though there was some extension of foreign ownership in terms of the number of companies controlled, when all criteria are considered together it cannot be said that Irish ownership was more than marginally impaired.

But the other sample, including a high proportion of smaller firms, in general family-owned and tightly held, offers a less favourable picture, at least as regards manufacturing. Distribution and services remained overwhelmingly Irish-owned throughout; out of a total of 83 Irish-owned firms in these categories in this particular sample, only one transfer to foreign control was recorded. In manufacturing, on the other hand, out of 107 firms for which a record is available back to 1963, 26 were already at that date foreign-controlled, and there were 12 further transfers to foreign control during the period, offset by only two transfers to control in Ireland. The issued equity capital of the 81 Irish-controlled firms in 1963 was £5,656,000. In 1969, after six years of development and a one-third fall in the value of money, the corresponding figure for the 75 recorded as then Irish-controlled—including some for which there is no record for 1963—was no more than £6,508,000. Neither the manufacturing nor the distributive and service firms in this sample widened their appeal to the Irish public in the way that occurred in the Top Fifty. Taking all the firms in this sample together, in distribution and services as well as in manufacturing, the number of their shareholders in the Republic, other than banks, institutions and other enterprises, remained nearly the same at the end of the period as at the

beginning, 13,900 against 13,800. The ownership of their equity capital remained overwhelmingly—from 80 per cent upwards, according to the industry or industry group—in the hands of personal owners, controlling shareholders, or owners of 5 per cent or more of the equity. It tended to be more concentrated at the end of the period than at the start.

The high foreign share in new enterprise in Ireland, not offset, in spite of some remarkable success stories, by a balancing degree of expansion and of maintenance of Irish ownership in existing Irish-owned business and especially industry, has on the whole been accepted by Irish opinion in the short run, but on both economic and political grounds seems unlikely to be accepted so single-mindedly in future.

The selling or leasing of sites and production facilities to overseas firms is as acceptable and profitable a form of business as any other, and there is no reason why the country should withdraw from it. It has brought in greatly needed foreign capital and technical, marketing and managerial know-how. Certain branches of business in Ireland, for example in electronics, would find it hard to survive on even their existing scale without a close link to the research, development, or marketing facilities of large international firms [12]. Foreign investment has raised employment and, since special encouragement has been given to firms with a strong export potential, has made a net positive contribution to the flow of foreign exchange.

But though this sort of business is advantageous to the country and well worth maintaining, over-specialisation in it could prove as risky as over-specialisation in any other field. Great though its contribution to Irish employment has been, it has still not been great enough to close the gap between the number employed in other types of enterprise and the full potential work force. Some at least of the employment it has given has been less secure than if it were in firms rooted in the country. Marginal plants are more at risk than an international firm's main production facilities.

A conglomeration of plants directed and managed from

abroad, and established primarily to meet foreign needs, does not in practice knit easily together into a co-operative, mutually reinforcing Irish business network capable of generating its own new departures. Foreign business brings new brains into the country, but does not provide as much opportunity for top business leadership within the country as native firms. At the highest level, reliance on it has encouraged a brain-drain out of Ireland. There is reason to think that the flow of foreign exchange resulting from foreign enterprise will be markedly less favourable in the long run, when the return flow of profits gathers strength, than it has been hitherto. Last but not least, over-specialisation in the business of leasing production facilities to foreign industrialists risks leaving the country without enough autonomous capacity for entering other, perhaps more profitable, branches of business at home and overseas. The business of leasing facilities, profitable as it may be, is, after all, only one line of industrial enterprise among others.

Access to foreign know-how can be obtained, as by certain firms in the present enquiry, under arrangements for association falling well short of foreign control, and the argument on foreign know-how can, in any case, be turned on its head once it is placed in the wider context of national culture and development. Ireland is a country which has, and intends to keep, its own cultural identity, and people commonly, though vaguely, feel that this identity will and should be reflected in working life as well as in patterns of consumption and other non-work activity. Foreign methods and products enrich a national culture up to a certain, not too clearly specified, point. Beyond this point they may drown it. Existing identity may be lost and a new identity prevented from emerging.

It is especially at this point that economic arguments merge into political. As time has gone by it has been possible to sense in the country a rising political feeling that reliance on foreign industry is being carried too far for Ireland's economic security, cultural identity, and national self-determination. In the words of the Taoiseach, Jack Lynch, in 1970: "I would be perturbed

if the main thrust of innovation continued to come from firms with foreign connections" [13]. This feeling has been highlighted particularly at times when jobs have been at risk, and in relation to one or two special sectors, notably mining [14]. There is reason to expect it to become more general as it has done, for example, in Canada, if the high foreign share in new enterprise continues, while at the same time Irish people become increasingly aware, not least through working in these same foreign enterprises, that it is within their own capacity to play a larger part. It is one thing to welcome foreign enterprise in an under-employed agricultural economy where the choice, at least for the short run, is or appears to be foreign enterprise or nothing. It is another to be dominated by it at a time when native capacity for enterprise has been built up, and not only exists but is known to do so.

The type of policy for which a case is now emerging may be illustrated from a non-industrial field, that of banking. Here a policy designed to meet considerations like those just set out has been in operation for some time. To quote a banking informant:

For some years past, since 1965, the Central Bank has taken the view that the bulk of the banking industry should be predominantly in Irish hands. The banking industry is essentially a service industry, and of its nature offers considerable scope for utilising native skills of an innovative nature. It was felt that most of the activities of banking could be carried out by domestic banks and that this was an area highly suited to developing and employing Irish skills and capital.

. . . In addition to employing Irish resources, the domestic orientation of Irish banking was encouraged because it was considered essential to have a banking system which would be intimately aware of, and fully responsive to, the financial requirements of local development. Because the senior management of foreign banks are often only in the country for a fairly limited length of time it was felt that

foreign banks might not be fully attuned to Irish conditions or might not fully appreciate the nature of Irish policy objectives. For example, some foreign banks might be unwilling to give considerable support to some Irish customers through long periods of adjustment arising from external competition. . . . While a limited number of foreign banks are needed to give access to new sources of capital from abroad and to provide skills or services which would not otherwise be available, it was felt that foreign banks should not be given a free hand. Irish banks are capable of providing the financial services needed and are encouraged to do so. However, the presence of a limited number of foreign banks acts as a stimulus to the domestic banks to expand and develop, while at the same time ensuring that banking in Ireland is mainly Irish controlled.

The point of banking policy has not been simply to reserve a share of the Irish market for Irish banks. It has been to maintain and develop the strength of the Irish banks so that they may be as well able to take advantage of opportunities to expand banking business abroad as foreign banks have proved to be to expand their business in Ireland; especially in the light of EEC's provision for freedom of establishment of banking businesses throughout the Community. Similar considerations arise, for example, in the insurance industry. How can the Irish insurance companies, which in their own field are much smaller and weaker than the Irish banks, be strengthened, and if necessary unified, so as to make them capable, not merely of holding their own against increasingly strong overseas competition, but of themselves competing effectively in European and world markets?

What then needs to be done to enable Enterprise Ireland to diversify once more, this time by building up faster than hitherto its own autonomous, Irish-owned capacity for industrial enterprise, not only on at least as big a scale as in the 'thirties but in the very different conditions of an open European

market where world competitive standards must be met from the start? A good practical starting point is to ask: how does the answer to this question look from the point of view of successful Irish entrepreneurs themselves? These are the men who have built successful new businesses or have reconstructed, diversified, and expanded older businesses to a degree that amounts to the same thing. What do *they* see as the factors in themselves or in Irish society and the Irish economy which have helped their success, and what suggestions have they for policies which might help a growing number of others to follow in their footsteps?

The answers below are based on taped\* interviews in the summer of 1972 with 22 entrepreneurs from a wide variety of manufacturing industry, from Dublin across to the West Coast and from the Border to the South-West. An undertaking was given that no recognisable reference would be made to individual informants or their firms. Accordingly the firms are re-grouped for later reference under five very broad headings. The numbers under each, and the geographical distribution of their main works, are as follows:

	Dublin area	Rest of Leinster	Munster	Connacht	Ulster	Total
Engineering (including all metal-working)	1	4	1	1	1	8
Quarry products (including processed products)	1	1	1	—	1	4
Agricultural processing (food, drink, industrial materials)	1	—	1	1	1	4
Textiles	—	1	1	—	—	2
Paper, printing	1	1	—	—	—	2
Woodworking	—	—	—	—	1	1
Leather and footwear	—	—	1	—	—	1
<i>Totals</i>	4	7	5	2	4	22

Sixteen informants founded their own firms. Six brought about dramatic new developments in existing businesses: two cases of expansion and diversification of firms already having reliable markets and a sound financial position, and four of a

\*One interview, with a respondent who suspected the interviewer of industrial espionage, was conducted for the space of an hour in a vertical position; only then was a chair offered. In this case it did not seem tactful to unveil the tape. In another case the batteries failed half way through an interview. These two interviews were therefore recorded from memory.

similar operation in the case of firms for which the writing could already be seen on the wall. In size the firms range from some of the largest in Ireland to one which was being re-organised for a new departure, and the staff at the time of the interview consisted of the entrepreneur and his wife. All the firms are in the private sector, twenty being companies and two co-operative societies.

What is common to all these firms, apart from being Irish-owned, is success. Informants with wide experience of Irish industry were asked to name cases where firms had achieved not only a financial (though that is part of the criterion) but an entrepreneurial success, making substantial new departures in terms of markets, products, or major reorganisation. The entrepreneurs interviewed come from these lists, though they are not, of course, the only ones to appear on them. In six cases success has rested on making a technical innovation or on being the first to exploit it commercially. But through all 22 cases, including these six, there also runs a common factor of managerial efficiency, expressed sometimes in product development and marketing, sometimes in financial or production control, sometimes in merging and re-deploying a group of enterprises, whether previously associated or not.

These entrepreneurs are not a representative sample of Irish businessmen or of heads of Irish businesses generally. Their views are, on the other hand, likely to be representative of one group which, though small, is of key importance for the future economic and social development of Ireland, namely leaders of manufacturing businesses which, in the opinion of informed observers, have shown particularly high capacity to emerge, adapt and develop in current market conditions. The sample is, of course, a small one, and the purpose of the enquiry has been to get the range of the problem rather than to produce definitive answers. It is a pilot enquiry designed to throw up the questions to be asked rather than to answer them conclusively. Interviews were semi-structured, and the writer has used his judgment in classifying the answers and in weighting entrepreneurs' comments according to the tone of the discussion.

The original plan was that this enquiry should form part of a more comprehensive study of entrepreneurship in Ireland, on the lines of Flavia Derossi's *The Mexican Entrepreneur* [15]. As in previous work by the writer, it was planned to base conclusions on data obtained in a number of ways, each crosschecking and providing a point of departure for the others; general data about the Irish economy and Irish society, structured attitude surveys, and, as here, unstructured or semi-structured case histories in which experienced informants present their ideas and experience in their own terms [16]. Each of these approaches is likely to contain an important part of the truth, and to that extent can be presented on its own and stand on its own feet. But it must also be remembered that none is fully adequate without the others. And, since the writer has left Ireland, it has been possible to follow only one of them.

Where the approach used is most valid is, of course, in setting out the views and attitudes of the entrepreneurs themselves. It allows firm answers to be given to such questions as:

Are successful Irish entrepreneurs, seen through their own eyes, a different breed from successful entrepreneurs elsewhere? Does the problem of increasing the supply of successful native Irish industrialists present itself in a different guise from the corresponding problem in other countries, or findings from other countries likely to be applicable here as well?

What sort of people do they see themselves as being, and with what sort of participation in Irish society and impact on it?

What qualities does this particularly informed group of observers want the Irish educational system and Irish society generally to develop in young people, if the proportion of people in the next generation who make good as industrial entrepreneurs is to be increased?

The interviews also, however, contain many comments on

what is being, or might be done, by institutions such as the Industrial Development Authority, AnCO, or the schools. Here it must be understood that this report presents only one side of the story: an important side, but still only one. If, for example, informants point, as they do, to changes which might be made in school or college courses so as to develop young people's entrepreneurial qualities more strongly, the action to be taken on these proposals must depend on how they fit in with others arising out of other objectives of the educational system. The curriculum is one and indivisible, and it would be wrong to set or change it in the light of one set of considerations alone. If entrepreneurs say that school or college courses are defective in certain respects, that is a valid and important point; but what action this implies depends on a wider set of considerations into which it has not been possible to go here.

#### *The Personal Background of Irish Entrepreneurs*

One of the questions above, about the resemblance, or otherwise, between Irish and other entrepreneurs, can be given at least a partial answer right away from data on the Irish entrepreneurs' personal background; the rest of the answer must wait till after the chapters which summarise their ideas and attitudes. It does not appear from this particular sample that business enterprise in Ireland calls for people from a different background from entrepreneurs in other countries or presents them, in the first stages of an enterprise, with problems of a basically different kind.

Poverty, sudden death, and insecurity were common features in the childhood histories of the American entrepreneurs in Collins and Moore's *The Enterprising Man* [17], and so they are in the present Irish sample. Out of 21 case histories for which adequate family detail is available, 10 refer to the death of a father or mother, illness of a father at a key-time in a boy's life, "domestic complications", takeover of a boy's upbringing by his grandparents, or difficulties over social acceptance of a family as a result of a disapproved marriage. In probably 11 cases out of 21 financial pressure in the family was severe at least

towards the end of a boy's education. This figure excludes some of the "father died" cases, for a dead father may still have left wealth behind him; but, on the other hand, includes cases of unbroken families which are working class or large.

The education of entrepreneurs, in the American sample, tended to be somewhat above the general level of the population, but well below that of the regular executives of large firms whom Collins and Moore label "hierarchs". In particular, among the entrepreneurs the proportion of graduates was much lower. These features too reappear in the Irish sample. Typically, these Irish entrepreneurs continued in full-time education beyond compulsory school age, but most had left by 17, and only two, both civil engineers, went on to a regular university degree [18]. The others showed a high motivation towards further education and training, leading to formal qualifications through craft apprenticeships or in professional fields such as engineering, textile technology, dairy science, accountancy, or quantity surveying: or at any rate a high readiness to be tempted into it.

It probably seemed to be a shocking waste of time during winter, you know . . . sit at home and read, and one didn't have money in one's pocket to have a girl or a motor car or go to dances and so on. I had a bicycle. I remember literally going to Rathmines and . . . I said I would like to study something, what would you advise me to do?

So one accountant in the sample described his entry into his profession. In a number of informants the drive towards further education showed itself not, or not only, in the pursuit of formal qualifications, but in continued informal learning, through courses as well as individually, without leading to a formal piece of paper at the end. The history of some informants suggests a certain casualness about whether formally to complete a course and register a qualification, once the course had yielded as much knowledge as the student needed for practical use.

“Business colleges and university colleges of business”, say Collins and Moore:

Offer no work really applicable to the sort of training entrepreneurs need. The entire system of established business and finance is organised, not to support, but to punish the efforts of these men. A successful candidate in the school of entrepreneurship has, above all, learned the art of risk-taking. The educational paraphernalia of the society are organised to teach men not to take risks, and to identify and stigmatise men who are willing to take risks. Consequently, a successful course in entrepreneurship involves thorough grounding in the finding of support outside legitimate channels, or in convincing legitimate financial agencies that theirs is an enterprise where risk is not present. Such skills are learned only in the school for entrepreneurs. (Collins and Moore, p. 101.)

The “school for entrepreneurs”, as they see it, teaches three subjects: drifting, or gaining a wide practical knowledge of business by moving from one field to another, making mistakes, and profiting from the school of hard knocks: basic dealing: and protégéship, or the art of how to pick up and drop partners and supporters as their use dictates.

“Drifting” in the sense of moving restlessly from one employment to another, as apart from trying one enterprise after another after setting up in independent business, is not common in this sample. Only two careers out of 22 clearly fit this pattern, and only one of these (merchant navy, gambling, public house operation) has the rather gaudy image which the phrase “drifting” might suggest. One man had a highly varied employment career, moving back and forth across the boundaries of public and private enterprise and trade organisations, but always advancing by new routes towards new success in a way not surprising in a successful executive in any country. Most of those who did not move quickly into either their own or the family business had rather straightforward careers of the

kind normal for any worker at their occupational level.

An early practical acquaintance with "basic dealing", on the other hand, is very common in this group, and this can include "drifting" in the different sense of experience with a variety of enterprises. In over half the cases where data are adequate the family background is a farm, a pub, a garage, a shop, a manufacturing business, or the agricultural co-operative movement. One informant noted as no small advantage his wife's familiarity with business through her father's funeral undertaking. Informants whose fathers did not themselves have a business connection divide about equally between working class occupations such as local authority weighman, railwayman, or engineering craftsman, and middle class professions such as doctor, journalist and civil servant. It is noticeable that there is no son of a male teacher in the list—though at least one mother was in teaching—and that the father's early death played a key part in starting both the journalist's and the civil servant's son on a business career. Over and above the advantage of a general business background in the family, informants who went quickly into their own or the family business, of course, acquired there a more direct acquaintance with "basic dealing" for themselves, in more than one case through failure—the "drifting" element—in an early venture.

"Protégéship" in this group is often related to the family; a father, or in one case a mother, who launched a young man into business or backed him there, a brother who became a business associate. There is a new generation of inheritors of family businesses, says one informant, whose fathers:

Have been very wise; and when they had good bright intelligent sons, they didn't just bring them into the business . . . they taught them the professionalism of business generally . . . I think this is one of the main strengths of Irish business today. (Agricultural Processing.)

But informants also mention the former employer who taught a man not only his technical trade but the art of enterprise, or

who backed a first venture into business; the board chairman whose vision and strong backing made a managing director's innovations practicable; the bank manager who gave not only cash but invaluable advice in the early days of a business; the business contact who provided the lucky break into a new job or market; the foreign firm whose association opened the way to know-how and markets; and of course the business partner whose abilities and resources complemented those of the entrepreneur himself. As in the American study, protégéship has had its negative as well as its positive side. More than one member of the group has had to face the problem of shaking loose from an associate who is dishonest, too conservative, or too demanding. One speaks with appreciation of how his father deliberately and formally withdrew from the family business when the son was ready to take over, and others of fathers who backed the son's own business even when they thought he must be off his head.

In other respects also the early problems of these businesses, or business reorganisations, have looked very like their American counterparts. For most of the firms starting from scratch, cash flow, cash management, costing and pricing were persistent problems. Basic finance came from the same variety of sources as in other countries until a firm was well enough established to be able to call on the banks or other regular lending institutions; own savings, selling the family home, overlap with a paid job, finance from relatives and local associates. Some of the new firms were able to rely from the start on an adequate market. Others had to fight for their markets, and most have had to work their way through the transition from an initial successful idea or product to a continuous process of seeking out new markets and the products to match them. The reorganisers and diversifiers of existing firms have had many of the same problems, with, in addition, the problems of winning the support of boards and of management and work teams used to leadership of a different and less dynamic kind.

Given then, that entrepreneurship in Ireland is not essentially

different from the entrepreneurship anywhere else, what is to be done to get more of it? What have the entrepreneurs themselves to say about this? Their comments fall into three groups in each case including suggestions for new policies in future.

- (i) The economic and technical support system for new enterprise in Ireland.
- (ii) The cultural background: what do entrepreneurs see as different about themselves?
- (iii) The cultural background: what do these entrepreneurs see as lacking to encourage others of equal ability to follow their examples?

### *The major conclusion*

Informants' comments under these three heads are set out in detail in the following chapters, and discussed and summarised in a more general way in Section 4. But one major conclusion may be anticipated right away, for it constitutes this paper's chief message. There was a rising tone in entrepreneurs' comments as they moved from the economic and technical support system for new industrial enterprise in Ireland, through comments on Irish management and the role of managing directors and their boards, to comments on the social background of enterprise in Ireland. Informants had, as will be seen, a number of suggestions to make about improvements in the economic and technical support system and in management, and some of these were substantial. But they were not suggesting that the economic and technical support system or the standards of management now being developed by the Irish Management Institute or in leading Irish firms are in any general way inadequate; far indeed from it, as will be seen. There may be much more to be done under these heads in this or that respect, but Ireland, as they see it, is in these respects heading clearly in the right direction.

But when it comes to comments on the social background of enterprise in Ireland, the tone is different. Ireland comes through in these comments as a country where too many

people still fail to acquire in their families, in the schools and colleges, in the Church or in work itself the qualities needed for initiative and enterprise, whether on their own account or as employees within an organisation; the achievement motivation, the practical abilities, the awareness of world standards and of the possibilities of enterprise, even the basic moral qualities of hard work and responsibility. The entrepreneurs who make comments to this effect are not suggesting that Ireland should convert itself into a mini-America; once again, far from it. They can show from their own case that successful entrepreneurship in Ireland can go, not merely with maintaining the good life at home and outside as that is understood in Ireland, but with an enhancement of it, and with a sound sense of responsibility to and for the community as well as for their own enterprise. But they do send to all those concerned with the general and cultural development of the people of Ireland the message that important gaps still exist in the non-academic and moral aspects of Irish people's education and general formation. These gaps result among other things, informants are saying, in too small a supply of people who are fitted either to found new enterprises or to work with initiative and dynamism within them. But they also constitute a cultural deficiency of a more general kind, a general impoverishment of Irish culture and the quality of Irish life.

## *1. The Economic and Technical Support System for New Enterprise in Ireland*

THE attitudes of the predominantly small-scale entrepreneurs in this group are in many ways similar to those of small businessmen in Britain as recorded by Golby and Johns [19]. But one particularly marked difference is that there are not in Ireland the same "repeated and vehement complaints that the government was biased against small business" [20]. A central theme for one informant was the rising tide of bureaucracy which, as he sees it, is flooding in over Ireland as it has already flooded other countries where he has worked. This will be taken up again below. But the general attitude is that, while some agencies naturally do better than others and there are identifiable gaps, the support system for new small and medium enterprise in Ireland is as good as can be found anywhere, and quite possibly better. This comment is not made in ignorance: the wide range of these men's international contacts and experience will be illustrated below. Men ten or fifteen years in business look back with appreciation to the greater range and sophistication of the support system since then. The problem now is not the support system but the lack of entrepreneurs to take advantage of it.

There are wonderful sources of information and assistance in this country, I think they're as good as in any country you can find. But your problem is this, there simply aren't enough people seeking this aid. The assistance is there, and there are a terrific number of competent people sitting behind desks waiting to help people such as us, but there simply aren't enough people doing this type of thing (Agricultural Processing).

What we offer is as good as anything the North of Ireland has offered to me. I think that we have more of an opportunity . . . (Textiles).

*(a) IDA and local development agencies*

In terms of favourable comments, the agency which comes top of the list for these entrepreneurs is without question the Industrial Development Authority. The Authority's staff are seen as practical, realistic, with good latitude for handling individual cases, ready to put themselves to personal trouble by coming out and seeing for themselves, and generally helpful with advice and contacts as well as with finance. Their procedures are bureaucratic—the word recurs several times—and a business man must be prepared to play the game their way. But a number of informants see this as one aspect of a healthy caution in dealing with new, unestablished, and often not too well organised enterprises. It is right, as they see it, that IDA staff should insist on specific answers to detailed and penetrating questions about the way a business is developing. Often the preparation of a case to go to IDA has been a significant incentive to a business man to think through his own plans and problems in an organised way and to move towards setting up proper costing, accounting and planning procedures.

Now the IDA are first class. . . . If you study bureaucracy and accept that it is there, you can handle it. . . . You go in and you find what they want to do, find how they want to do it, and forget your own ideas, just do what you are told. You'll get a grant out of them, you'll get all you want, any time you want it. . . . Although they are at present bureaucratic . . . do you know that the IDA will come out any day of the week and Sunday? I rang a fellow last Friday about twelve o'clock, it was to do with this machine. . . . He said, well, this afternoon I've got to mind the kids and take the afternoon off, the wife is off at the Horse Show and I've got to get the car out there. Ah, I said, you can come out anyway. You know, there

was no messing, and he came out because he was interested . . . (Engineering).

When you talk of developing a small industry . . . there is a great deal of work to be done in research and development. . . . You've got to make a feasibility study. We've got to get down to the level of talking about site . . . type of building . . . what funds we need, where the funds are going to come from, what capital charges will we have . . . where are we going to get a manager . . . at what point are we going to break even, where are we going to buy our raw materials. We're going to have a source of supply from five or six different companies; we must get in touch with each of these to get their conditions. We've got to look round locally for people with skills. . . . we've got to look to the market, at the possibility of selling to the North of England or Paris. . . . Before we could even talk to a bank or the IDA or before one could seek one's own funds we have to go through all of the motions. . . . The grant towards that and the assistance in this country only starts at the point in time where the proposal is made. . . . If one could arrange a system of grant assistance for the compiling of . . . studies . . . (to consider applications for this purpose) from communities or from development organisations or individuals . . . firstly, you're encouraging people to think, you're encouraging them to work in an area of activity which would be a learning process for them. In the event of nothing happening, at least people will have learnt something. The State will have learnt something because of the report that will be made. And then there's always the possibility that a project and jobs can be created (Agricultural Processing).

A third criticism pressed particularly strongly by one informant, but also raised by implication by several others, is about the relation between the IDA's action at national and international level and the efforts of local development organisations. Some of the businesses covered have benefited from the

work of well-run local development agencies which provided serviced land and perhaps were prepared to build a factory; which contacted prospective occupiers, offered them acceptable terms, and generally helped and serviced them. The work of several County Development Officers was also well spoken of. Local authorities, it was pointed out, could be helpful over housing or technical education. In one town where an industrial site was hard to find it was, in the end, provided by the parish priest. Local business or professional men had in some cases joined with an entrepreneur to back a new enterprise with finance, services, or the opportunity of doing local business, and in at least one case had used their own business contacts overseas to interest foreign firms, in coming to their district. But there were at least as many cases where local support was non-existent or disorganised, and alleged facilities were such as an industrialist would be unlikely to take seriously.

The people who had old yards with crumbling decayed walls and services not worth speaking about, probably old pigsties in the corner . . . were asking such ridiculous prices with no relation whatever to the future development of the town, let alone the value of the property, that we gave up . . . (Engineering).

They call it an industrial estate. There's neither water, sewerage, telephone, electric or none other. Then they invite people in to have a factory, and they bring them around, and there's just a wilderness, there's trees and shrubs, and . . . he's got to make a road into it and get the sewerage and water (Quarry Products).

I found myself that they would break their necks if they found a German coming in, but they weren't interested in anyone of their own and couldn't care less. . . . The Council wouldn't even give me a few houses for essential staff coming from England (Engineering).

The case put by one informant who is himself closely involved

in local development work is that no coherent set of principles has yet been established for mobilising active and effective local participation and linking it to the IDA's national and international activities. "Effective" is an important qualification, for, this informant underlined, it is wasteful to ask of local bodies what a particular body is not qualified to perform. In local Chambers of Commerce for example:

You're dealing with people who have very little knowledge of development and how development ticks, and people like that tend only to value what is tangible, and to put little value on funds going into a development process (Agricultural Processing).

But local initiative need not be confined to such obvious items as the provision of housing or of serviced land for industrial purposes. (Why not, another informant suggested, use the technical schools and colleges in a positive development role, as the base level of technical and scientific advisory and propaganda service, linked for example to the Institute for Industrial Research and Standards?) If skilful use were made of local business people's own export and other personal contacts overseas, or if a local agency was prepared to employ a genuine expert in industrial promotion, or if provision was made on the lines just suggested for feasibility studies initiated at local level, a number of important advantages could be obtained. The IDA's own efforts could be supplemented and multiplied. Its staff is necessarily limited, and cannot possibly cover all worthwhile contacts or take all the initiatives needed for development. A local learning process could be set going, and a virtuous spiral of self-reinforcing initiatives made to evolve, "a hive of activity and development in your town and country". And there could be an assurance that the needs of all potential development centres will be kept in view, and the bias in favour of some larger centres which this informant perceives will be avoided.

Only one region, the Mid-West, as this informant sees it, has been in a position to carry out a programme of this kind, thanks to the existence there of the Shannon Free Airport Development Company. SFADCO has teeth: money, expertise and freedom to get on with the job. Regional development organisations elsewhere have had none of these, and the IDA has encouraged local initiative only in a strictly ancillary capacity, and discouraged direct action by business men through their own contacts.

The only people in this country who we are told have their function outside this country talking to industrialists are IDA representatives . . . and there is a distinct discouragement of people within the regions going to other countries to talk to people in industry (Agricultural Processing).

There could be an interesting parallel to what this informant has in mind in the change of policy through the first decades of action to revive the British development areas. The early initiatives leading up to British development area policy came from the regions. But when at last the national government and civil service accepted responsibility for a full-scale effort, local initiative, except once again in a strictly ancillary capacity, was squeezed out. This new approach led to misdirection of resources, less power behind the programme and neglect of means of action which could have been mobilised for it, and loss of an opportunity to develop local communities' capacity for self-adaptation, to the disadvantage of local democracy and community cohesiveness as well as of economic growth. But many years passed before a hearing could be obtained at national level for arguments to this effect [21].

*(b) Financial agencies; the equity gap*

Once they are well established, entrepreneurs in this group see little reason to complain of the financial facilities available in Ireland. The banks and the Industrial Credit Company will readily back a proposition which has the support of the

IDA, or indeed any proposition which has manifestly solid backing and is presented in convincing form.

Our experience has been that if you have a good proposition, and you tabulate it properly and you present it properly . . . there isn't much difficulty in getting the money. Side by side with that goes the confidence that a financier has built up with any particular business or with the entrepreneur. . . . They basically lend to the person, and you know if your project is sound and you have built up trust with the bank, generally there is no difficulty in getting one except maybe at times of extreme tight credit squeeze. . . . There are plenty of banks there, and they are all biting at one another to lend money (Quarry Products).

I didn't expect any mystique from the banks. The banks require bricks and mortar generally. I am sure they throw out a number of things . . . they shouldn't do. But then one has to look again at the give and take: so I found the banking thing reasonably good (Textiles).

Strong backing from a bank can provide useful leverage for a reforming managing director:

The reason I couldn't be moved was terribly simple, because if I moved, the bank moved with me (Agricultural Processing).

A textile firm which went public a number of years ago notes how people were writing in to subscribe from all over Ireland, and other informants who reached this stage more recently also had little difficulty in meeting their needs.

But informants do note a gap in Irish financial facilities at an earlier stage. At the very outset of a new small enterprise, the entrepreneur may well be able to scrape together the relatively small amount of money needed. One man started in business with £12, another used his wife's savings of £130, another sold his house. Others had money from a family

business—one of the biggest of all began in a business bought by his mother for £250 after his father died—or a thousand or two thousand pounds of savings of their own, or relied on credit from suppliers. One or two were able to get bank backing even at an early stage, though only after a good deal of shopping around. One changed banks twice before reaching a satisfactory arrangement. Another had difficulty in getting a bank to cash his first big cheque from a sale at all, but eventually found another branch whose manager looked closely into his business, encouraged him to take a loan for expansion, and continued to advise him, including suggesting what proved to be a successful new line of enterprise. Several were able to get support from friends and business acquaintances, whether in their own locality or further off.

The gap which informants note lies between this initial stage of an enterprise and the established stage when funds flow freely. One identified it rather precisely:

You'd get up to £5,000, no bother. You get £40,000. Now you are in a twilight zone between that. Nobody wants to know and nobody wants to help you in that twilight zone (Engineering).

To say that “nobody wants to know” about firms in this twilight zone is clearly exaggerated. IDA grants and a variety of investment grants are, in fact, made to firms in this bracket. One of the IDA's services is to link possible sources of capital to possible small business users, and the Industrial Credit Company or the banks may help. But, piecing together the comments of various informants, it seems that the lack that is felt is of a service with the following characteristics:

(i) Provision of equity capital—bearing in mind that the risk as an enterprise at this stage is often very high—from sources which can be relied on to stay with the enterprise through the often nerve-racking process which Collins and Moore call “getting through the knot-hole” to full

establishment, and which do not involve dominance by a much larger outside agency. More than one informant has had experience of "the sort of people who are with you when things are going well, and they pull out when it is a little bit down" (*ibid.*). What entrepreneurs need at this stage is above all funds under their and their partners' own control, money on terms that leave the control of the business in the hands of the one or two key people on whom its development depends.

(ii) An effective means, to this end, of channelling into industrial enterprise the quite considerable amounts of money available from non-industrial businesses in Ireland, or from Irish people overseas, for example publicans and contractors, who might be particularly interested in backing a new small enterprise in their home town. The promoter of an engineering business who made this last suggestion is himself a case in point.

(iii) An associated advisory service to steer new entrepreneurs through the tricky problems of managing cash flow and avoiding over-trading which are typical of small businesses at this stage.

Informants from small and medium businesses were not too familiar with the possible services of merchant banks, but, by contrast with bigger businesses, were liable to be suspicious of them; to see them as a near relative of "the millionaire bastard" who threatens a take-over.

There is a big problem with merchant banks too. They are all grabbers. They all want equity in your business, and they want to be in a position that after a while they can control you (*Engineering*).

A number were explosively critical of the role of the ordinary banks in relation to this type of problem, or inclined to write them off as unsuited to handling it.

Banks we consider to be right bastards because they never put their money where it is wanted (Engineering).

—nor do they keep closely enough in touch with the way that the overdraft, once granted, is being used.

We have fellows here, bank managers—from the national point of view they should not be brought within a thousand miles of a customer (Leather and Footwear).

Banks are merely commercial companies, and you know their function is basically commercial and connected with money. It is too much to expect them to act in the national interest in some areas (Agricultural Processing).

But the direction in which the finger points is nevertheless rather clearly the banks. Their contribution could be direct. As a banking informant comments, “there remains ample scope for the banks to adopt a more liberal approach to risk-bearing”. But it might, even more usefully, be indirect, in the capacity of promoters and contact men rather than of direct lenders. The banks’ network of personal contacts reaches potential small investors throughout the country and, increasingly, among the Irish in Britain as well. At the other end they are or can be in close and continuing personal touch with small entrepreneurs. What seems to be required is an investment intermediary service operated through the banking network in return for a suitable commission, bringing together reliable small investors—not those who “pull out when it is a little bit down”, nor big and dominant investors of whom the small entrepreneur might, with reason, be suspicious—with promising new businesses with which the investors are unlikely otherwise to be familiar. Some, at least, of the banks would claim that, with the help of their merchant banking affiliates, they are already beginning to provide this.

### (c) *Training*

IDA is a relatively long-established institution whose efforts entrepreneurs can judge from long, often close, practical

experience. AnCO's programmes under the Industrial Training Act of 1967 are, on the other hand, relatively recent. In 1972, at the time when this survey was made, only one of the three major programmes was beyond its teething stage; direct training of around 2,000 workers a year in AnCO's own four permanent and three mobile training centres. A programme to revise the apprenticeship system was still at the stage of experiment and discussion. The programme to which AnCO itself attributes high priority, to promote company-based training, was only just swinging into action on a full scale. Levy-grant schemes for textiles, clothing and footwear, and food, drink, and tobacco completed their first year of operation in 1972, and schemes for the engineering and construction industries were set up for the first time in that year. AnCO's stated policy is that "the first responsibility for training and development falls on individual firms". It should and must be made to do so, and accordingly AnCO, though it persuades and advises firms, offers substantial financial inducements, and if necessary administers a sharp shock to laggards, it deliberately does not dictate what course firms shall take. AnCO's own estimate is that in these circumstances perhaps ten or twenty per cent of firms are likely to respond quickly, another 50 per cent can be influenced, the rest will lag while they can. Overall, it may take five, six, or seven years to secure reasonably full penetration of company-based training through an industry, and in 1972 nowhere near this lapse of time had occurred in any industry covered by a levy-grant scheme.

Entrepreneurs' comments reflected the uncertainties and, especially among the smaller firms (this is also found in Britain) [22], often the suspicions natural at the early stage of what can look like an expensive scheme, of a value still to be proved.

Some comments showed awareness that AnCO is still in its early days, and that time will be needed to judge fairly by results.

AnCO . . . has a long way to go, I think, because of its age.

It is only starting. I think the concept is good, but . . . you wouldn't want to lean on it too much at this moment of time (Textiles).

An informant more familiar than most with the work of the training board of his own industry, one with a strong craft tradition, outlined the series of stages needed. A Board has to analyse and pass a sound judgement on existing training practices, to develop and test improved procedures designed not merely to teach the tricks of the trade but to provide a broad base for lifetime development in a world of changing technology, and in doing so to educate and carry along the many groups and interests involved. All this, he pointed out, takes a great deal of time. His own industry was beginning at the top, with a course for senior managers "not to get our money back (from the training levy) but to see how we can spend the money necessary on the industry"; not so very much money, since, as he said, many firms are happy to pay more for insurance than they are being asked to pay for training. Ideally AnCO should have enough staff "to go around to employers and spend maybe two hours with them to try and tease out his problems with him and . . . get what he wants".

But among the smaller firms the level of doubt and suspicion reflected in comments about AnCO was at this stage high.

AnCO tends to serve up the wrong people with the wrong training (Engineering).

I don't agree with it at all. Honestly, I think it is a bit of a farce, the way they are going about it (Quarry Products).

AnCO have been a complete loss as far as I am concerned. Not only did they give us no encouragement but they wrote and told young chaps coming out of technical schools that they wouldn't advise them to take up jobs with us as they couldn't be recognised as an apprenticeship (Engineering).

We've got fellows from AnCO . . . I suppose they have a varied lot to produce, but that chap hasn't got what it takes. . . . (Engineering).

If one asks what significance comments like these have for AnCO's programmes in the longer run, the answer is probably: very little. Some criticisms were clearly based on misapprehensions. Others, equally clearly, were directed to Irish standards of training generally, not to AnCO in particular, for example to what were alleged to be low standards of discipline and craftsmanship among some engineering trainees, or conversely to the danger in Irish conditions of oversophisticated training. In no industry had informants had a long enough run of experience to judge AnCO as fully as IDA or IMI. AnCO is always, of course, likely to be at a disadvantage compared to, say, IDA in that, whereas IDA gives firms money, AnCO takes it away from them, or at least defines how they are to use their own funds. But the comments on taxation quoted below show that these entrepreneurs are not blind opponents of even high tax levels, nor, most of them, of government or government activity as such. The essential point is that time—much more time—is needed for AnCO to prove or disprove its value to the full.

Even now, AnCO itself can point to substantial and appreciated advances in a number of industries, over and above the direct training of workers in AnCO's own centres. In the three industry groups where levy-grant schemes had run a full year in 1972, well over 800 full and part-time training staff had been appointed. At a subtler level, executives in a number of firms reported that levy-grant schemes had had a useful shock effect in alerting boards of directors to the case for training and loosening their purse-strings for it.

But informants' critical comments do appear to point to one issue of strategy which would have been important particularly in the first days of AnCO and may still have its significance. AnCO made an early policy decision to start its training programmes on a broad basis, across a whole range of industries,

rather than feel its way in by intensive and well-researched programmes in selected fields. When the comments of informants both favourable and unfavourable to AnCO are brought together, it looks as if this may have been a mistake.

A more focused approach might have led to a different accent in the type of training provision promoted. One informant from a large firm suggested that it would have paid to give less attention to general measures such as the appointment of training officers and more to very specific programmes, such as the detailed on-site study of specific production and design problems, which could have high learning value precisely because they also have the urgent edge of immediate need, and would be likely to be appreciated accordingly.

But what in any case could have been expected from a more focused approach is better appreciation and quicker support from employers who felt that their own particular problems had been studied in detail and taken fully into account; a correspondingly better demonstration effect to other employers; and less risk of arousing vague fears and suspicions among employers who under the present approach are brought into AnCO's network but not as yet fully involved. AnCO does not and is not likely to have enough field staff to meet, over the whole wide range of firms and organisations with which it is concerned, the wish of one informant quoted above for staff "to go around to all employers to try to tease out his problems with him". Nor, given staff changes as well as the range of its work, can it always rely at this stage on enough intensity and continuity of staff work in a given industry to guarantee—to pick up a comment from another informant—that employers attending a training conference for that industry can feel that they and their problems are known well. It looks as if AnCO began by spreading itself too thin.

The criticism which some informants directed against AnCO was not repeated in the case of the Irish Management Institute and other agencies providing training for managers and supervisors. IMI courses are appreciated and used, though naturally with varying degrees of success. The owner of one

small firm reckoned that at the start of his business:

Any of these techniques they have, I could come back straight the following week, and 95 per cent of the courses I could apply straight away (Quarry Products).

Another at the same stage in the same line of business had found IMI courses:

Helpful in a limited way. I thought they put too much into it. . . . They covered too many things, you came away with very little (Quarry Products).

partly because the group covered too wide a range of industries, each with its special needs. One informant had preferred to send a senior executive out of the country rather than to IMI, not because of any lack of quality in IMI courses but because participation in a residential course with foreign businessmen would widen the executive's horizons. Others noted the case for in-house training geared to the problems which supervisors or managers face in their specific situation.

It was just a choice between the IMI and (a consultants' training service). The (consultants) were more interested in coming into your company and doing a definite analysis on it—advising you on it. The other people just provided management training (Engineering).

The most substantial criticism made of IMI's activities was linked to one already raised in the case of IDA. Granted that good support is being provided for those who have already started in industry, is enough being done to evangelise potential new entrants: those who are not yet far enough forward even to apply for a Small Industries grant, or to benefit from the courses in entrepreneurship with which IMI has already experimented for those who have reached this stage?

The Irish Management Institute do provide courses which are excellent, particularly courses in industry and in

things like production, finance, marketing, and general management. They are excellent courses, just as good as you'd find in American universities. But . . . these courses are simply beamed at people who are already working in this environment. . . . If they have courses in industry, these tend always to be attended by people who are already engaged in industrial activity. . . . There is very little attempt made to get people who are involved in the services or shopkeeping, to get these people interested in acquiring the skills necessary to develop small industries. . . . In most towns you go to in Ireland, particularly rural Ireland, you get a shopkeeping class who are very adept at merchandising, they've been at it for generations: they are very competent people, they are well educated, they have financial resources. There is a paradox . . . you can go into several of these small towns in depressed areas . . . now Ballinrobe is a small town, about 2,000 people, and for their size they are said to have the largest amount of deposits of any community in Ireland, and there are three banks there: and yet there is no big industry, and there is no development, and there is absolutely no work, and . . . these funds in that town are being used nationally to build offices in Grafton Street or perhaps even in Drogheda. You have people in a town such as that with this background in shopkeeping and with finance and such; it should be possible for these people to engage in a lot of useful activity in industry. But I don't think we're making any attempt to educate these people about this other type of pursuit. . . . In a lot of these towns . . . people say, "Look, this is a very bad town, all the wealthy shopkeepers, and they build no factories". But what people forget is that shopkeeping is a pursuit that is just totally remote from running an industry (Agricultural Processing).

This informant spoke from knowledge, having himself made successfully the transition from shopkeeping to industry in

what, but for men like him, might have been just such a town. His comment on America is also based on first-hand knowledge.

His proposition raises a number of questions. The Irish Management Institute might well ask whether it, or it alone, should have the responsibility for preaching to the unconverted. Are there not other agencies with a more general responsibility for education or industrial development which should share the load? May there not be a real case for starting the responsibility of a specifically Management Institute, as at present, at the point where a newcomer has shown definite signs of starting in the industrial field? The responsibility for action in this area may be divided in various ways. Informants' point remains that more action by *some* agency or agencies is needed in this area.

*(d) Consultants*

Informants have found consultant services easily available in Ireland. Most have learnt to value them, but with discrimination and a sharp eye for the relationship between costs and benefits. Smaller firms have used consultants particularly to install systems of production and financial control, larger ones for a variety of purposes, including ideas and leverage for the general reorganisation of management.

I persuaded the Board to bring in independent consultants; not necessarily that there was anything there that they couldn't do themselves, but they were so involved . . . so close to it that they would not have the courage to take fundamental and basic decisions. They would compromise, and I felt the results of the compromise would make the second stage worse than the first. . . . They would get in consultants to analyse the problem of how to set up a formal management structure. This was done, and the consultants found and then endorsed independently what was wrong . . . and it worked out exactly as I hoped it would (Agricultural Processing).

But experience has taught the need to keep a cautious eye on consultants' competence and their capacity for producing down to earth recommendations related to a firm's actual conditions.

One crowd came in all right, business consultants, and they said they'd save me £5,000 a year. . . . When they'd made their report I couldn't see them making that much saving (Quarry products).

I was very dubious about them. I had some experience of consultancies before, and I checked with a lot of people who had used them, and I was sceptical. . . . So I decided that we would have to give them a very, very, tight brief, and I was sticking to that, and we had three or four consultants put up proposals for the same scheme, and we eventually chose one crowd, and they were satisfactory. I have also no doubt that some of the others that put up proposals hadn't a clue what they were talking about (Quarry Products).

Smaller firms make a point of going to individual consultants or small partnerships, where they can expect to pick the brains of the principals themselves.

*(c) General government and trade association services: inter-firm co-operation*

An interesting difference showed itself between comments on the usefulness of Government services such as C6ras Tr6ach-t6ala (the Export Board), the Institute for Industrial Research and Standards, or the Department of Industry and Commerce—in its capacity as authority for licences, grants and other direct services, not of overall planner—and on inter-firm co-operation and the services of trade associations. Trade associations, for this purpose, do not include employers' associations dealing with industrial relations.

Comments on Government services were appreciative. Informants suggested extensions to them, or noted that the restricted resources of a small country set limits to what could

be expected from them. But strong criticisms were rare.

A number of firms, for example, had used the Institute for Industrial Research and Standards for testing materials or products, advice on the design of small engineering products, on equipment and machines, or on the preparation of applications to IDA, and expressed high appreciation not only of the technical service rendered but of Institute staff's eagerness to help, their quick response in an emergency, and the good co-operative relation established with them.

I found them eager to help . . . (Engineering).

We could have a fellow down here tomorrow if we had a problem (Quarry Products).

They employ very good men, very helpful men, men who will come out any time of the day. They have helped me enormously, and I try to co-operate with them; they can use our machine tools any time they like, and we have a very good association (Engineering).

But the same informants who made these comments also noted that IIRS's facilities were as yet too limited to provide for highly specialised or complex requirements or to have a great deal to offer to a firm which already has a high degree of sophistication and high standards of craftsmanship. An engineering employer engaged in developing a new invention noted that IIRS's reference service, though being extended, was still inadequate for his special needs, and pressed strongly for developing the range of this service well beyond Irish industry's current needs. Even though some files might never be used, it was worth building them up ahead of demand so as to provide a really first-class service for the entrepreneur entering a new line. But his comments showed that what he missed much more in Ireland as compared to England, where he had previously worked, was easy and regular personal contact with key people in his field.

The sort of technical advice which I wanted was news on the latest products and the forthcoming products of the leaders in the field; what new sorts of materials and techniques are going to be applied in two years' time. When I was in London I had a luncheon arrangement with a group of people in these companies which led to the dissemination of this information. . . . But of course I am cut off from that here (Engineering).

This man's business is currently small, and travel on the scale needed to keep in touch would be a heavy charge on his cash flow as well as on his time. Could a travel subsidy be made available for such cases?

Córas Tráchtála was also spoken of with appreciation, though with one or two detailed criticisms on such matters as grants which were expected but did not materialise. An engineering firm with rapidly growing foreign sales made a more substantial criticism. In the view of this employer CTT would do better to make 100 per cent grants towards firms' own market research, carried out through the right specialist consultants for their own field; for the information which CTT itself can collect, with its inevitably limited staff, though "a considerable service, a considerable value", is of necessity generalised and second-hand.

Several informants stressed the importance of steering clear of politics and of ensuring that a business can stand on its own feet without political help. One had had a sharp setback when caught in political cross-fire on a change of government. Others preferred not to let themselves be bitten in the first place. "Politicians don't work for nothing" (Engineering). But this, of course, did not imply any objection to dealing with Government departments at a strictly business level. Two or three informants reported discouraging experiences with the Department of Industry and Commerce; pressure to use Irish materials which were not in fact suitable, strong discouragement

ment by the Department from projects which in fact turned out to be winners.

The only people we had problems with were a section of the Department of Industry and Commerce . . . he said it wasn't possible, and tried to put a spanner in the works there (Engineering).

He said, well I'll give you (your grant on the conditions you are asking for) Mr X, but you won't pull this place round. It's doomed (Agricultural Processing).

But these criticisms were against a background of general appreciation for the system of grants and, generally, of industrial development administered by the Department, and of awareness that this like other branches of bureaucracy gives results if handled the right way.

I found Industry and Commerce quite good, licence-wise. They were prepared to do things over the phone and do things quickly (Engineering).

Industry and Commerce, here, they are a very good department. If I want something, I go in there and fish out the man I want, and I find I get a hundred per cent satisfaction. It's no use thinking that Joe Soap down the country who is my uncle's daughter is the cousin of so and so who is in planning in the Ministry, so you'll get this. These departments are good and have some very good men—men who are dying for somebody to come in and talk to them (Engineering).

The right way to get results from a bureaucracy does however vary. The same informant gave this picture of how, in the field of another department, he got a certain planning permission.

I went along and studied what was involved and who was

involved, and I got the man who was going to make the decision, and I chased him up and I got in touch with his aunt and I said, "wherever that fellow goes, tell me", and everywhere he went I followed him, so he had to give me permission.

The importunate widow still has her part to play!

Other departments and semi-state bodies were mentioned more occasionally and briefly. One informant who contracts with the ESB expressed appreciation of the Board's high standards of specification and inspection, helpful in keeping his own standards up to the mark. Another had borrowed the Irish Embassy in London for a trade exhibition. Another had received solid backing from the Department of Health for a new product in that Department's field, at a time when other branches of government more directly concerned with industrial development were sceptical. The Geological Survey was mentioned with appreciation by one quarry products employer. But another was highly critical of the Government for failing to undertake prospecting work on a big enough scale, either directly or through grants for exploration work by private enterprise, and so to put itself in a position to recover for the nation a more adequate part of the proceeds of the mining industries.

Now the time you want money to finance is when you go around digging holes. And if the Government would say, "Look, we will finance you if you like, and if you find anything we will take half of it from you in the form of taxes", this would be logical. Instead they give you no money to prospect, and if you find anything you can keep the lot (Quarry Products).

A small firm engaged in research and development contrasted the speed and responsiveness of Industry and Commerce with what this informant regarded as the paper-bound approach of the Revenue Commissioners and of

Customs and Excise; departments, as he saw it, "ruled by men within a few years of retiring who were reared in the pre-biro age". An engineer building a piece of prototype machinery was likely to need small supplies of unusual components at very short notice as his ideas developed and new ones were suggested by trade and professional literature. In Britain he could pick up the phone to a firm with which he was in any case probably in touch, and get his component sent on approval by return of post. In Ireland, where he was less directly in touch, he might in any case have to correspond with the supplier. On top of this he might well have to take a day in Dublin, as well as correspondence, to sort things out with Customs and Excise. One answer might be to stop going by the book; let the supplier put a small component in a plain envelope and hope it would not be stopped. But, he suggested, a better solution would be that, until imports are completely freed under EEC rules:

A register should be kept of companies who are genuinely doing design and development, and they should be given an open chit—open permission—to import goods up to . . . (so many pounds) value at a time (Engineering).

There were a number of references to taxation, but with an interesting and unexpected turn to them. Several informants from large firms criticised the high level of personal taxation. Two stressed that, at the salary levels now being reached for even moderately senior executives in large Irish businesses, personal taxation makes it hard to provide adequate differential rewards for senior staff.

I don't know anybody who works less than he might do because of the tax situation, but I see it in my own people here . . . the discouragement of the level of tax on individuals. I think it is the disappointment of it rather than the disincentive (Agricultural Processing).

The ceiling effect of personal taxation at the levels these informants had in mind has since been documented in the Devlin Report on higher Government salaries [23]. Another informant was particularly concerned because at the time of the interview Irish corporate taxation was substantially higher than British. Another stressed the difficulty which high tax levels put in the way of the smaller employer trying to build up a new business and to accumulate capital in his own ownership, not only or primarily as an incentive, but so as to keep control of the business in his own hands.

But here, precisely, is the interesting twist: this sort of complaint did not come from those informants who were in just this position. If they complained of taxation, it was about procedures and paperwork rather than about tax levels. They would point to others who had "made their million", and they were building up successfully themselves. Even for those of them who were not primarily exporters, entitled to benefit from export tax relief, the positive side of Government finance, and notably the grant system, seemed to be much more at the top of their minds than the level of tax.

Comments on co-operation between firms themselves, whether through trade associations, through other forms or multi-firm co-operation, or directly between individual firms, were much more differentiated than those on Government services.

One area of which little was said, but where a fair amount appeared to be happening, was that of using existing Irish firms and organisations to assist the development of new Irish-owned industries. A number of Irish firms are in any case diversifying into other industries themselves. The point here is about the help they might give to other businesses not under their control. One informant had owed his start in business to the backing of an English company for which he had previously worked. That was in Britain; but similar help was recorded in Ireland. One informant had got off the ground thanks to generous credit from a local supplier. Another spoke appreciatively, as just mentioned, not only of the fact of his having a contract with the ESB but of the value to him of the

high standards transmitted to him from ESB engineers. A co-operative, over and above its help to farmers in developing their farming business, has been able to help former members of its staff who have set up their own.

We can give them business in many instances, or we can give them goods to start them up, with reasonable credit facilities, and we do (Agricultural Processing).

Public purchasing may help. Another informant was able to base a successful export drive on a practical monopoly of the Irish market for his product, thanks to the purchasing policy of the Department which is the largest consumer in his field. General protection of the Irish market, of course, had helped to launch some of the older concerns.

The question not directly raised by informants themselves, but implicit in the record of their experience, is whether this sort of aid—subject to any limitations under EEC rules—might not be mobilised and extended in a more organised way. There would seem to be considerable possibilities on both the public and the private side; a more active policy by, say, the ESB or the Department of Posts and Telegraphs, or more positive support by the growing number of Irish private sector businesses which are now substantial by world standards, especially those which are relatively technically advanced.

Comments on trade association services and other forms of overall co-operation between firms were rare; this area did not seem to be salient for informants. And, except where they touched on farming and agricultural processing, comments here tended to be negative.

The trade . . . were going to run me out of it, and they gave me six months. I think that drove me on further (Textiles).

Another textile manufacturer explained how efforts to rationalise his branch of the trade, specialise firms' production, and

so build up stronger units in the face of growing overseas competition collapsed through firms' reluctance to contract out of even marginally profitable markets, to miss short-term gains, or to accept a sober assessment of the long-term possibilities of their markets as protection disappeared. A metal fabricating firm had gained much from an informal association between firms with related specialities which made it easier for each to supplement the others, but commented that CII "had a branch for metal, but they did nothing with it". The situation in CII's metal branch had however now changed: "they appointed a very good man in charge of it".

Comments like these may give too unfavourable an impression of co-operation within industry. It is, for example, possible to quote cases, such as the leather industry [24], in which a very effective process of rationalisation has gone on through firms' own initiative and readiness to co-operate. But informants' comments seem to reflect attitudes which contrast, not only with what they said of Government services, but with the very different tone of comments in the minority of interviews which touched on farmers' co-operatives or the Irish Farmers' Association. Certainly deficiencies were perceived on this side too. More than one informant criticised the Irish Agricultural Organisation Society for undertaking a bigger task than it has the staff, dynamism, or organisation structure to carry through, and there was strong criticism of the structure and role of individual co-operatives. But the picture also came through of dynamic leadership by at least some co-operatives in helping their members to develop their business and in processing and marketing their products, and of the Irish Farmers' Association as a body on which co-operatives and other organisations engaged in rural development should, and commonly can, rely to ensure farmers' effective involvement and participation.

Still another contrast was with informants' comments, not on the specific services provided by the trade association for this or that industry, but on the general leadership offered by the Confederation of Irish Industry, particularly as regards

industry's relationship to the Government and its role in national planning. A number of interviews took place shortly after many of the top leaders of the CII were killed in an air crash, and this undoubtedly added an edge to informants' comments on general leadership. It is still significant that even smaller business heads, themselves far from the centre of business affairs, recognised the crash not merely as a personal disaster for those affected but as a setback to the country, in the sense that men had been lost who were through the CII making a positive and valuable contribution to the overall shaping of the Irish economy. The head of a larger firm spelt this contribution out more fully. Here were men who were building a strong, unified, overall instrument for steering and developing Irish business, getting rid of the overlap of employers' organisations, exploiting Ireland's advantage as a small country with quick communication between business and Government leaders, where the adaptation of national policy to changing world conditions can be ahead of the competition. They were beginning to educate businessmen themselves into the attitudes needed for this. They were men with wide horizons, aiming not only for immediate results but for a pay-off five or more years ahead.

The same informant went on however to underline that the unified guidance of Irish industry, capitalising on the smallness of Ireland and the ease of communication between industry and the Government, which he had in mind was still far from being attained. The management of national economic policy was still fragmented between a number of Departments and organisations, some under leadership of the highest professional quality, others led by men whose personal qualities might be excellent, but who were not professionals in the economic development field. The ideal pattern which he had in mind would unify leadership of the development effort in the hands of a single body not unlike the Japanese Ministry of Trade and Industry; for the effective leadership achieved by MITI in a large country such as Japan could be still more effective in a small country like Ireland. Among the other objects of unifica-

tion should be the achievement of unified action by employers and unions.

It must be emphasised that the differences of tone and attitude noted here rest on the comments of only a small number of businessmen, not a statistically valid sample. But taking them as they stand, as suggestive rather than final, we might summarise informants' views of state and trade association services and inter-firm co-operation as follows. Ireland has by world standards one really large-scale industry, namely agriculture. This sector is big enough to provide its own leadership and services internally. But as regards industry, a strong lead and a considerable provision of common services is still required from the State. What the State provides is appreciated, but with the comment that State provision needs still to be extended and consolidated. One is reminded of Tony O'Reilly's proposals in 1970 [25] for:

- (i) the creation of a State holding company, *An Bord na mBord*, "charged with the responsibility for conceiving, collecting, analysing, developing, and in certain cases operating enterprise in high risk situations within the State".
- (ii) The grant of direct trading powers to *Córas Tráchtála*. "This would be of particular benefit to small companies who aspire to export": very much as the big farming co-operatives, or *An Bord Baine* (The Dairy Board), of which Mr O'Reilly was at one time chief executive, have helped farmers.
- (iii) A system of overseas marketing grants for large-scale product launches.

The impression is that informants see the role of the CII; and of joint industrial action in general in helping forward the State's role in providing common services, and in overall planning, as being currently more important and more

positively valuable than its role in providing services direct to individual firms.

(f) *The marketing of services to industry*

The informant who spoke of the "terrific number of competent people sitting behind desks waiting to help people such as us" raised an issue which runs right through informants' comments on successive aspects of the economic and technical support system for new enterprise in Ireland. "Sitting behind desks" is, of course, a metaphor; informants made it clear that what they appreciate about the staff of the IDA or the IIRS is precisely their willingness to get off their chairs when asked. The man you want, said one, is the one who will "sit down there on a concrete block and talk business to you" (Leather and Footwear) and often informants reckoned that this was the man they got.

But should not the staff of development agencies, some were arguing, be readier to go out on the missionary and educational circuit even when not asked, and right onto the client's doorstep? The message that industrial enterprise is possible has to reach the unconverted, the people in distribution and service businesses as well as those who have taken their first step in industry. Repeatedly, informants commented that even the presence of a successful new small industry next door to a potential local industrialist showed little sign of inspiring him to go and do likewise. The message of what AnCO is about, and what its long-term benefits will be, has to be delivered right to the individual employer by people who will "spend maybe two hours . . . to try and tease out his problems with him".

I think that it would be a marvellous thing if there was a special agency set aside with a pool of . . . people that had practical experience . . . and they say . . . "you're delegated to such a person for three weeks or a month, five weeks or six weeks" (Engineering).

It was clear from interviews that many existing services do

get delivered effectively to those they are intended to reach. But the reality of the point made by these informants was brought home to the writer when he acted as chairman of the Personnel Management Committee for Irish Productivity Year. A programme was set up to promote professional personnel management in the many medium and even large firms which do not have it. Seminars and other generalised means of propaganda proved to be ways merely of preaching to the converted. The programme began to move only when a senior personnel manager borrowed from one of the more advanced firms took time to go around to talk to managing directors in their own offices about what might be done and how their particular concerns could expect to benefit. "We were the first", as one merchant banker said about the banking system in an interview preliminary to this project, "to get on the bicycle round the country and *look* for entrepreneurs".

(g) *Summary: points for action*

In spite of informants' generally favourable view of the economic and technical support system for new business in Ireland, they have enough criticisms to piece together into a respectable list of possible improvements.

One or another of them asks *both* for a more close-knit national strategy, led by the Government but with the involvement of the CII and ICTU, *and* for action to multiply the country's development effort by encouraging more centres of initiative; for more, and more effective, initiative by local business men and official or semi-official agencies; for more initiative by large established firms, public or private, to start and support new independent Irish-owned businesses; and for more encouragement from the Government for dispersed initiative of both these kinds. One seems to hear an echo of the Devlin Commission on *Public Services Reorganisation* and its appendices; let there be more initiative for development from the central Government, but let there be more initiative from local government as well. The two are not alternatives. As

G. K. Chesterton used to observe, when faced with the horns of a dilemma it is wise to choose both.

Informants ask for more of what one can only call missionary activity, directed to the pre-enterprise stage; not simply to helping those who have taken their first steps towards a new industrial enterprise but towards educating those who have the resources and general ability for industrial entrepreneurship, but are not enough in touch with the industrial field for the spark to reach them.

They point to a number of specific cases where more might be done to help the firm already under way: the "equity gap" and the part which the banks might play in filling it; the case for better backing for market research and major market launches, and for training better geared to the final customer's needs; the case for a travel subsidy to encourage maintenance of research and commercial contacts by firms too small to carry much of this sort of expense themselves, or for a limited free licence—for as long as this may continue to be needed, under EEC rules—for importing minor items needed for research and development. One informant points to the advantage to the State of subsidising geological prospecting and taking a large slice out of the proceeds of minerals discovered, rather than pay nothing for prospecting and take nothing from the proceeds.

And, as just said, informants point in a number of contexts to the case for more effective marketing of existing and future services; for more focus in the work of AnCO, and less tendency to spread the training effort thin, and more doorstep salesmanship in a number of development, advisory, and training services.

We shall return to some of these suggestions in the chapter on General Conclusions.

## 2. *The Cultural Background: What do Entrepreneurs see as Different about Themselves?*

THE balance of motives and abilities, of course, differs from one informant to another. Entrepreneurs differ in their personalities like members of any other group. But as one interview followed another, certain common threads wove themselves together.

### (1) *Expert, practical, ready to learn*

The entrepreneurs in this group see themselves first of all as expert, professional, thoroughly on top of their job or on their way to being so, men who have found what they are good at doing, and are doing it to world standards of expertise.

You have to have a little bit more than the fire in the belly: you must know what you are doing (Paper and Printing).

They know what the customer expects; the design of an engineering product that is acceptable in Belgium or Holland, the quality of meat products that will sell in Italy or France, the quality and designs of furniture or carpets that will bring buyers back for more; the way to read back from acceptable retail price tags to acceptable prices and ranges in shoe manufacturing. They have learnt or are rapidly learning professionalism in management, including marketing and finance. The point about professionalism in management, not surprisingly, comes through most strongly in comments from the larger firms where the importance of managerial skills is greatest. But the smaller firms too have had to wrestle with the installation of

systems of cost and production control or of effective control over their cash flow.

But informants' expertise has a special edge on it. In the first place they see themselves as practical men, in the sense of men who themselves know in detail how things are made and done and who can themselves do them. They are financial operators, not merely economists; management accountants and not merely auditors. They are engineers who may themselves have served a craft apprenticeship, and cannot merely design but build a machine for themselves; men who can repair a motor-cycle or get on their backs under a car to find what is wrong; men who look back with appreciation to what they learnt in a technical school about machinery or concrete or woodwork, and to the way the technical teacher might say: "Look, fellows, there's lots of wood over there, what do you want to make today"? (Quarry products). Many can talk on level terms with the man down the pit or on the lorry because they have done the job themselves. They recognise the value of delegation and practise it with success, but like also to keep in touch with what is going on at the operating level of the business.

I come in to work in the morning to do something, writing letters: just get up from my desk and go down to a factory, which is far better: chat to the people. It doesn't happen here, it happens down there (Paper and Printing).

I would be sorry, said the head of a smaller engineering business, to grow to the point where an order went out of the plant and I did not know what it was.

Several informants, when asked to rank their own interests in order, firmly put engineering or invention, or construction, or design and development at the top, though sometimes equally with other motives such as the desire to start new enterprises.

If I can get this place whipped up . . . then I am prepared

to let a manager run it, and he'll make a good living out of it, and the people working here; and then I would prefer to stay at home and have in a basement a workshop with a drawing board, and design new products: and that is what I am interested in (Engineering).

An interest in engineering is top of my list (Engineering). Design—mostly design, and making things new all the time (Engineering).

You might have done an absolutely fantastic job, and everybody thinks it is terrific, and it *is* terrific. But there is one little aspect of it, there was a particular dimension to get right. The rest kind of fell together. But because that was wrong—though no one even saw it—you're hurt and you have a pain in you for the job (Engineering).

My main interest is in new enterprises and the physical layout of them (Quarry Products).

But practicality, for these men, does not mean being narrowly technical or preoccupied with detail.

You must have a complete mind, a hungry mind: you must think big and be practical at the same time (Leather and Footwear).

Practicality, for them, has a strongly commercial slant. The same man who said that he would be happy designing on his basement drawing board added that:

I have found that since . . . I became aware of . . . how to translate an idea into an accomplished thing . . . my acquisition of knowledge has got this commercial aspect about it, and I am less inclined to involve myself in learning things which don't have any sort of commercial application. I wouldn't bother now learning the names of the birds which inhabit our seashore, because I can see no money in that (Engineering).

The engineer who said that "an interest in engineering is top of my list" is himself a time-served craftsman whose son has in turn won top prizes for craftsmanship. But he strongly criticised the head of another engineering firm who bought over-elaborate general-purpose plant because he was more interested in craftsmanship than in cost or in the customer's idea of design:

He'd have put the job to bed, and he had a beautiful instrument, but he gave it with hardly any shape. He was more attracted by the dignity of owning a capstan lathe. He wasn't practical (Engineering).

Still another told of how an English firm for which he had worked had got into trouble in its Irish operation because it was "over-efficient" for the Irish market.

They were over-efficient. . . . They gave too much to the customer and they went out of business. . . . They closed down here, and we were all looking for jobs . . . Drawings, now, they put too much detail . . . (Quarry Products).

An employer with a substantial export market, as well as a quality market in Ireland, and with a keen interest in craftsmanship, says:

We would have to do (these products) fairly well, and we would have to do them at a reasonable price. And my theory was—about 95 per cent perfect, if you like, without going the 100 per cent which in fact would cost twice as much (Paper and Printing).

Another informant explains how his firm got into trouble because an inexperienced marketing manager had been too interested in glamour products and getting his name in the paper for them, instead of in the solid basic lines which the firm could make and sell at a profit. Another had realised that

the manager of a small plant was unsuited to the job because he was too highly qualified, at a technical level beyond what the plant justified, and had to replace him with a man more suited to the rough and crude operations involved.

Besides being practical, these men see themselves as flexible. Professionalism, one said, means first of all that there must be "some discipline in your life in which you have acquired capacity and knowledge"; "I happen to be an accountant". But it also includes "the capacity to acquire an understanding of all the other disciplines that make up the place", including of course managerial skills (Agricultural processing). The theme recurs again and again that an entrepreneur must keep learning, and have learnt how to learn. But he should not study for the sake of studying; "you have to draw a line somewhere, or you're lost" (Engineering). A very large part of informants' technical and managerial knowledge, over and above what they picked up on the job, was acquired *ad hoc* through courses or evening classes or simply through wide reading in technical and professional journals. One benefited from a quiet spell for reading when his business was partly shut down in the war, another from a prolonged illness which let him read himself into a new field. More than one did not bother to finish a professional training to the point that would have given him a paper qualification, and those that did were not always sure that they had used their time to the best advantage. Two engineers, for example, criticised the lack of commercial content in their college courses. A quantity surveyor had felt frustrated enough as an unqualified student to write a new textbook for his subject there and then: "and I showed them that I could do that in three days and they could do it in six weeks".

Informants see no contradiction between saying that you must build on what you know you can do and adding that you should be open-minded and flexible enough to cross the lines of academic disciplines and to get into and understand new fields, if that is where the course of new enterprise leads. The head of a small firm making concrete products started by

raising chickens and that too had been an unfamiliar business to him. The head of a much larger business said:

I'm stupid enough to think I could turn my hand to anything (Paper and Printing).

It is the jump in ideas, the ability to re-group knowledge and think sideways, that matters.

There is a crucial thing that puts the . . . really successful individual right away from the manager: it's the new idea, it's the thought—God, why didn't I get that yesterday, I should be doing that. . . There are very few people who have that . . . it's not something you can train into someone . . . something you can't put your finger on (Paper and Printing).

(ii) *Ready to take charge, seeking new fields: confident, but with both feet on the ground*

Two of the most constant themes in the interviews were the urge these entrepreneurs feel to be out on their own, running their own enterprises, and to be always restless and questing, moving on to new activities, not sitting still. Many have current plans for diversification as well as growth.

I just can't sit down: I like to keep going (Quarry Products).

I'm a man of restless temperament . . . a kind of rebellious non-conformist attitude; I was rebellious at school. . . I remember when the (plant) was finally going, and I was sitting in the office, and I said to my brother I was not going to sit here watching the bloody machinery going around: what will we do next? . . . My main interest is in new enterprises and the physical layout of them . . . like in golf, if you got a hole in one: well, a new enterprise sets off the same elation (Quarry Products).

One informant is careful to differentiate himself from a previous head of his business who had left it profitable but pedestrian, as well as vulnerable because of its narrow range of products. Another marks himself off from firms in the same industry who are content to "make a nice neat little profit . . . without much growth" (Paper and Printing). Others come back repeatedly to the interest and challenge of getting a new enterprise going, of seeing it develop, of making a go of it, and the idea of never being happy to stay put.

The point is not merely to start new businesses. It is that the entrepreneur wants to be in full control of his business, whether as owner-manager or as managing director with full powers to manage and with his Board well in hand and strongly behind him. Some feel that they grew into this attitude, others remember it in themselves back through their schooldays. One generalises about this, and presents his own attitude as one common to workers of all grades:

I never worked for anybody, and I don't believe anybody else worked for anybody else. . . . Everybody is self-employed (Engineering).

But most see this urge to be out on their own and to take charge as differentiating them from others.

However they may have acquired it, most informants have this attitude strongly. One man who was bought out of one of his companies was so unhappy as "an executive of a large monopolistical public company" (Textiles) that he presently bought his company back. Small men on their way up express reluctance to let any of their equity go, for example to a merchant bank, and fear that at some point the pressure for a takeover may become irresistible. The heads of the bigger firms in the group (including co-operatives), if they were not themselves in final control as founders of the firm and major holders of its equity, took steps from the start to mark their territorial boundaries, so to speak, and to ensure themselves adequate freedom of action against Boards, shareholders or

members. In two of these cases sons succeeded their fathers, one in a family business and the other when the son came up the managerial ladder and was next in line for the top job. In each case the son's feeling for independence was strong enough for him to have left or be on the point of leaving before the father handed over.

These are men who enjoy power, responsibility, and the chance to get out from under bureaucracy, and who also recognise that the formal power which their positions give them has to be justified and continually re-justified by performance.

I very early discovered that I had in my position as such a command of power . . . The next thing I had to do, then, was to get and hold that power, and the only way I could do that was by performance (Agricultural Processing).

One of their outstanding qualities, not surprisingly, is self-confidence.

I always thought I could do it a bit better than anyone else (Quarry Products).

Absolute faith in myself, and my ability to sell something which I had confidence in (Textiles).

I was invited to a very important meeting in London where there was Lord this and Sir that and God knows what else . . . and they were laying down the law to me, what we should be doing . . . Then in the back of my mind, a very close associate of mine said, if ever you are stuck for something to say, you just go to the toilet, take a break . . . I couldn't help thinking, as I sat in the cloak-room . . . these bloody fellas . . . they are not entitled, they are paid the salary by us to do this job . . . I went back in, and your man tells me what to do, and then they all agreed to it. I walked out of that thing, and I said: from now on, take your own advice, make your

own mistakes! You go to professional advisers . . . to direct you, not to tell you (Paper and Printing).

(I acquired this attitude) when I realised that it was possible for me, despite drawbacks: that I could get there. When I realised that I was being promoted over the heads of people whom I regarded as my technical superiors, then I or my wife had to build up this confidence in me . . . As this confidence grew, then I became aware of my potential . . . I found myself getting more and more experience in other fields and coming up against established experts in those fields and finding that if I stuck to my original ideas I very often came out on top . . . And as my confidence grew I think I was able to call more upon my ability (Engineering).

I don't allow anybody to use the expression "no" or "can't". I never use them myself. I don't understand the meaning of "no" or "can't" (Engineering).

I think that anything that is good is possible (Agricultural Processing).

They recognise, of course, the uncertainty of the highly competitive situations with which they have to deal, and accept their responsibility to impose at least enough certainty to let work proceed.

Things happen to them (others)—they don't make things happen (Agricultural Processing).

Only God can define what is going to happen . . . You do a lot of hoping that what you think is going to happen will happen; and it is desirable that it should, because you have indicated that it is going to happen (Agricultural Processing).

Setbacks will occur, but have to be ridden through with determination and humour.

Lack of morale was spreading right through the industry. And here I said is a fight, and I like to fight. I said, right, I'll bloody well show them . . . When we went through our worst year, much of the morale of some of my colleagues who are now excellent men was shattered . . . I said, come in, and we reviewed where we were, in the middle of a very bad situation, and I said . . . answer me honestly, is there anything on buying, financial control, selling or administration that we could have done that we have not done in the last year? And the answer came from each instantly, no. Well, I said, in the name of God leave it. It's a bad year, and we can't reproach ourselves . . . Any meeting we have there will be the crack, the good humour; that has been the philosophical approach to it, and I feel we are geared and equipped to be forever damn proud of what comes along (Agricultural Processing).

These entrepreneurs' confidence extends not only to themselves but to the country and its people. They have plenty to say, of which more below, about avoidable deficiencies in Irish culture as it affects enterprise. They accept as a fact of life that some other deficiencies are at least for the moment inevitable; for example shortages of managers and technicians with specialised skills for which there has not hitherto been a demand in Ireland. But running through their comments is appreciation of Ireland as a country in which to live and work, of the solid basic qualities of Irish workers of all grades, and of their high potential once they are given their chance.

People have more talent, more strength, more power, more knowledge, more initiative, than they really realise they have (Engineering).

I have never seen yet an unsuccessful Irishman abroad (*ibid.*)

I spend my life travelling around this world . . . and . . .

I have witnessed around the world how successful the Irish have been away from home. If they can't do as well on their own ground, well, I . . . give up (Textiles).

Once Irish workers and managers have been properly trained, they are as good as any; the qualification, "once they have been properly trained", is of course the catch, to which we shall come back. An engineering employer referred to the good quality of women workers in his small town:

One thing we find, which amazed me really—the girls are far better than the men, far more willing to work . . . if I was in a factory with a high proportion of women employed I would have no hesitation in having women right to the very top in managerial positions (Engineering).

Armed with self-confidence and a basic confidence in the potential of the people with whom they have to work, informants present themselves as looking to wide horizons and ready to take substantial risks. They are reluctant to name any definite target for the growth of their firms; it is a case of playing it by ear so long as the markets come along.

Long term—I wouldn't say a set target . . . It is really a question that you are so wound up in the thing now that you can't stop anyway . . . I wouldn't say that there is any specific target, just a general one to keep improving, to keep expanding; you know, to make sure you never go backwards . . . I mean, make £5 million in the next five years, and I will have £20 million made in ten years: you know, that approach (Quarry Products).

I have got a particular product in mind, which if it took off . . . quite an explosion. Therefore the sky is the limit if this thing works (Engineering).

They see that new enterprise needs flair—the ability to reach

beyond what can be statistically justified—plus readiness for risks.

Basically it's a hunch you can't just buy (Paper and Printing, Dublin).

Physical and mental imagination and the gambler touch is necessary for responsibility (Drink, Dublin).

Especially in the build-up stage of a new firm, they may be willing to run very close indeed to the edge of risk.

At times it wasn't difficult, and at other times I ran the company so close to extinction, in the eyes of the accountant, that relations were a bit strained. So my way of going was just to do the damn thing and then see how we could get the money to pay for it . . . It was nerve-racking for the more conservative people on the board (Quarry Products).

But there are strict limits to their risk-taking, and to growth or diversification in the short run. The other side of the coin is that informants with one voice present themselves also as cautious, moving stepwise rather than in big leaps, planning each step carefully, aware of their personal limits and the limits of their situation; willing, certainly, to take a gamble, but only if it has a well-reasoned chance of success. They see themselves as restraining their short-run claims in the interest of the longer run; buyers of second-hand plant for a better bargain, users of second-hand cars until the business can genuinely afford a new one: and, even then, it may, or may not, be a Mercedes.

I think you are a sucker if you try to make yourself a Wimbledon champion and you only belong to Herbert Park . . . One of the biggest mistakes I see people sometimes making is blindly overcalling their hand . . . and it is a bluff not of other people but of themselves. And

whenever I identify that I move in on it very quickly, because usually that person is going to make an awful mess of something (Agricultural Processing).

I'm always cautious about anything I do. I take a little step and see if I can stand up after that, and then I take a bigger step (Quarry Products).

I believe in planning five or ten years ahead (Paper and Printing).

I'm professional enough to want to see a plan for everything (Agricultural Processing).

I'm prepared to gamble, anything—if I think there is a reasonable chance of success (Engineering).

There's one more thing too, watch out for it! . . . You can't take money out—you must be realistic about this—until you can afford to take it out. You can't start a business and say: well, I own a business, I should have a Rolls Royce. You have to do with your bicycle until you reach the Rolls Royce stage (Engineering).

More than one informant described cases where he or some business connection had been lured into over-trading, or diversifying too soon, and had to pull back to a more modest and limited scale of operations.

If you fall into the sin of pride . . . it is a very dangerous thing, and you know a lot of very successful people have done this. They felt that . . . they can't go wrong, and everything they touch turns to gold (Quarry Products).

(iii) *Creators of personal opportunity, but ruthless*

On the scale that runs from McGregor's Theory X to his Theory Y, these informants come definitely at the Y end: neither slave-drivers nor organisers of cogs in a machine, but leaders who rely on bringing out their subordinates' potential for initiative, responsibility, and personal growth.

You've got to give them spirit: they won't work if you hit them on the head (Quarry Products).

They see themselves as either having achieved or hoping to achieve a situation in which those who work for them stand firmly on their own feet, take decisions for themselves, grow personally, and see personal opportunity opening out ahead of them.

They are under no delusions about how far they have to go to build the trained work force and achieve the set of work relationships which they have in mind. "It's hard to get people to come along with you" (Leather and Footwear) is a recurring theme.

This Roman said that Rome must burn, and in the end he said it so often that they went out and burned the darned thing. I think you have to say it a terrible lot of times (Engineering).

But looking back on their own record, the heads of several of the bigger firms insist that they have created a whole new range of interest and opportunities for their managerial staff and a new, more open and participative, style of management. Partly this has been a matter of defining clear responsibilities, beginning with a clear and sharp definition of the role of the *Managing Director* or *General Manager* himself in relation to his board. Partly it is a matter of success, expansion, and resulting opportunities; the chance for staff to travel, or to run a new subsidiary, or simply the change in attitudes that comes from being associated with a buoyant, effective concern that can cope with its environment.

A lot of the people who work for this company work specifically because I'm here . . . a lot of people are attracted to success (Paper and Printing).

You flex your muscles, and you are able to say to yourself, if I have to do anything, I can do it . . . This is really why

I did this (move into export business), so the staff would know they could do it, and then I know myself that I could do it, and still make a profit (Paper and Printing).

Informants are in two minds about their reaction to the case where a successful young manager might be so buoyant as to take off into independent business on his own. One has in such cases offered active help to the new business to establish itself. Another doubts whether even the best of those working for him have the edge needed to go out on their own—"If they did have it they wouldn't be working for me" (Paper and Printing) but is taking no risks since the time when one executive closely involved in his plans did in fact go to another company. "Now, anything that's on my secret list stays with me." Several informants express an intermediate view. Development in firms like theirs, as well as in fields like merchant banking, is as they see it at last breeding up a limited number of executives who may prefer to stay with a managerial post while good opportunities are there, and might find it hard to get the finance to start on their own, but might well be tempted to try for their own business in certain circumstances. They might be irritated by dissension in their firm, or see its growth drying up, or, increasingly, be tempted by the prospects of owning a slice of the equity, and not merely a salary.

But whatever they may think about the man who might leave, the picture that informants project particularly strongly is of their efforts towards creating a Theory Y managerial climate among those who continue to work for the firm, and often their success in doing so.

(From the point of view of the younger people coming up behind you . . . what is the difference now, in their position in the kind of system you have built here, from what you found to begin with?) "I'd say confidence, opportunity, more access to people above them, less patronage" (Agricultural Processing).

In this firm there has been a general improvement in communications, an open door policy by the Managing Director, and a clear-cut and effective system of delegation. Free-for-all discussion has been introduced in the firm's Executive Committee and at regular meetings between the Managing Director and the whole body of senior and middle managers; a situation in which, as the head of another firm said of his own similar achievement, "there were no holds barred, and the general manager was even fairer game for having a go at" (Agricultural Processing). Another informant reports a mistake he made before getting the right managerial climate established:

We appointed as General Manager an ex-Army chap . . . his style of management was not a success, because being an ex-Army man he was inclined to bang the table and create bureaucracy; whereas (his successor's) style of management is to send authority down along the line and let the local area managers run their own show (Quarry Products).

Organisation development plans of this kind, to elicit positive and enthusiastic effort from employees, are not confined to management teams. The leadership needed, informants insist, must include a personal impact by the head of the firm right down to shop floor level.

You must show them: you must make them feel a part of what they are doing . . . The same way as I knew when I went to the IDA that it was up to me to sell them this idea . . . the same with the workers coming in here. If anyone assumes . . . that they are going to settle down and work like hell for the fellow who sits up in this office . . . (Textiles).

One Managing Director is in the process of pushing management by objectives right down, level by level, to the individual operative. He is running:

A meet the people campaign where I hope to see every single . . . person in this group—will have lunch with me here, just once in a lifetime, maybe twice. I talk to them about the object of the business (Paper and Printing).

Comments from smaller firms show awareness of the importance of delegation to the morale and efficiency of employees as well as for clearing the manager's desk, and mention some interesting experiments in breaking up even relatively small businesses into distinct and more manageable units or in developing work teams and consultation.

An informant from the co-operative movement explains how for him this movement towards participative management and awareness of opportunity extends out beyond his own management team to his farmer members and to the transformation of a whole countryside.

I was considered to be a semi-lunatic for spending maybe four or five nights of my winter week, maybe from November to March, out arguing with farmers in school houses and halls . . . after a number of years I was able to train up other members of the staff who were able to do the same thing, which means that we are in very close contact now (Agricultural Processing).

The older staff . . . are respected members of the community, and I talk to them the way I am talking to you now. We would, three or four of us, have a few drinks once or twice a week, and this is what gets talked about. Now our staff has been encouraged to participate in community activities . . . this is one of our best methods of getting ideas across, because in actual fact this is one of the methods where people come back in with their own original ideas, and once people start mentioning something, you know it is time to start right away (*ibid.*).

We started looking at . . . the various countries in the continent of Europe, and to see how they did things. We

started examining that, then, in the context of what our own people could do and would do, and we examined ourselves to see how fast and how far we could push them . . . Then we started selling (our plan) . . . I thought . . . three years ago it would have taken us another three years to do it, but what actually happened (is that) the previous seven or eight years now began to pay off, in so far as our farmers then started to push us to know why the heck we weren't getting on with the job. They forgot that we introduced the idea, and they arrived at the stage where they thought they introduced it . . . Our approach to a young fellow like that was terribly simple. Here is a chap, he wants to run a car, he needs to take the girl friend out, she will need a couple of gins or vodkas, he will have to take her into a ten shilling dance. In other words we reckon he will give her £12 a week . . . So we told him how many cows he needed, for he had only maybe two or three and a run-down farm. We borrowed a bit of money for him, and we backed him up, and after a few years he discovered there was money in this game (*ibid.*).

But the tendency of these entrepreneurs towards theory Y must not be mistaken for abdication. There is nothing soft or *laissez-faire* about the sort of participative management which they have in mind. They are clear that in the end it is their personal responsibility to take necessary decisions or insist that others take them, and that this is often a tough, time-consuming, lonely, and at least in its first stages unpopular task. They see in these terms their relationship to their boards as well as to their subordinates. They respect the authority of their boards, but are ready to stand up to them, take risks with them, to persuade or lever them into new attitudes. If necessary they will force (as several informants from larger firms have done) a restructuring of the board itself, the recruitment of more effective directors—retiring the elderly, cutting out dead wood, putting family members in their place—or a re-definition of the responsibilities of the board and the managing

director. One of the sharpest impressions from informants at the head of larger firms is of their clear vision of the distinction between the role of the board and the managing director and their insistence that this distinction shall be properly observed, not least in cases where boards had let themselves become over-involved in management.

It is, as these informants see it, the duty of the chief executive, whether owner or managing director, to lead strongly the whole process of policy-making, to force decisions, and to take certain of the more embarrassing decisions in person: about reprimands, or dismissal for incompetence or inability to fit into a team—with a golden handshake, where appropriate—or redundancy.

It may also be his duty to take a tough line with the unions. Few informants are anti-union, though many criticise the unions. But several make it clear that to keep the business going and its workers in jobs they have on occasion been ready to fight even to the point of making it clear to employees, and without any bluff, that beyond a certain point they will close the gates for ever. Our company, said one informant in textiles, has 450 working today in its X plant. Not one would be in a job if the company had not been tough enough on previous occasions to actually shut the gates.

More than one informant quite deliberately applies to himself the word "ruthless".

We have too many nice fellows in Ireland (Agricultural Processing).

So, far from seeing any contradiction between, on the one hand, hard, driving leadership and readiness to take sharp, personally damaging decisions, and on the other, participative management with wide opportunity for subordinates, these entrepreneurs see each as the condition of the other. Participative management needs a strong, thrusting, driver who knows how to use the brakes as well as the steering wheel and accelera-

tor. In turn it creates the climate of confidence in which hard but necessary measures will be discussed and accepted on their merits.

(iv) *Working to universal norms*

The standards of performance which these entrepreneurs see as relevant to their enterprises are, without their ever using such a term, universal and not particularistic.

Informants are not averse to using family finance or to offering a first chance of employment or association in an enterprise to family members. At least one founded his enterprise specifically because he saw in this the only opportunity, at the time, of ensuring for his sons worth-while work in Ireland and of keeping the family together. But they are sharply critical of family in-breeding where this means employing a less qualified family member to the disadvantage of the business, or allowing family shareholders unfamiliar with the business a veto right over necessary business decisions. They criticise in the same way the maintenance of closed circles of recruitment on religious grounds, or hiring staff, or more often continuing existing staff in employment, on grounds of personal preference; though at the same time they note the need for decent compensation and terms of notice for the misfits who may have to be dismissed when this type of policy is abandoned. This is one of the areas where several informants speak of themselves as "ruthless".

Though several informants are themselves active in politics, informants generally resist strongly any suggestion of using political influence to obtain special favours for their firms. A business must stand on its own feet if it is to stand at all. They recognise the difficulties in which some of their own businesses may be placed through the disappearance of protection within EEC, but not one complains that the policy of removing special protection for Irish industry or moving towards Europe-wide competition on equal terms is unjustified. They have as has been said learnt, or are learning, to work well with the Civil Service and other bureaucracies. But one or two strongly criticise

bureaucracy, in Ireland as elsewhere, for in effect becoming an end in itself; for multiplying rules and tests in a way which may correspond to the laws of bureaucracy's own being, but have no relation to the more universal needs of business or of the country at large.

Others again criticise, not trade union controls generally, but union restrictions, for example on recruitment to the printing trades, based not on the common and general needs of an industry and its work force but on the internal history of a union and on pressures from privileged groups. One informant quoted cases to support his criticism of the accountancy profession for tolerating patchy standards among its practitioners instead of the uniformly high standards that the business world requires. Informants from the co-operative movement objected to allowing special prices or other advantage to favoured groups among their farmer members.

This is the negative side of informants' preference for business rules and practices designed for the general interest rather than as a fiddle for the advantage of this group or that. On the positive side of what they said about this question, four main ideas stand out:

*(a) Profit*

First, this group is unrepentantly committed to profit as the test of a sound, socially responsible, business. Their argument spelt itself out from one interview to another along a number of lines.

They see profit among other things as an incentive to the entrepreneur, money into his pocket both for his current standard of living and by way of capital gains. Even the smaller men in this sample could talk of selling their business for thirty, forty, or fifty thousand pounds, and several of the larger owner-managers have already made their million. Informants see this aspect of profit as especially important in the early stages of an entrepreneurial career to the man who otherwise would be continuing on an ordinary wage or salary.

(First Partner) The very first reason I went out on my own was that I wouldn't be at all satisfied with the standard I'd reach just having a trade. . . . My relations were all well off people. . . . (Second Partner) We felt that we were as intelligent as these people. . . . (Engineering).

I did civil engineering. While I was there, it struck me that being a good engineer did not necessarily mean that you were going to make a lot of money . . . (Quarry Products).

This financial incentive to start as an entrepreneur is seen as strong and effective; effective enough to embarrass informants in some larger firms who have the problem of retaining outstanding young managers whose net salary increases at present tax rates can only be small, and who could hope for a good slice of the equity if they took off into business on their own. As these informants see it, if more entrepreneurs are wanted in Ireland, the incentive of profit and capital gains is not to be despised.

But once an entrepreneur has reached financial security and a good standard of living, as that is understood in Ireland, the edge goes off this particular incentive. These men give the impression of enjoying the good things of life.

I switch off to boating, walking, swimming, and all that kind of stuff—outdoor life (Engineering).

Or as another happily commented, "I bought a lovely colt this year". Moreover, as they see it, their community and those who work for them expect this of them. The car is symbolic.

Let's put it—I used to go around in a small car, and they used to say: for God's sake, will you go and buy yourself a decent car (Leather and Footwear).

They would probably be disappointed if he didn't live well, be seen to live well. I mean they expect me to have two cars, and they're very happy about it . . . on the principle

that they would like to think that their organisation can't afford a manager who can't afford two cars (Agricultural Processing).

(My Board) flamboyantly went for the largest Mercedes . . . and doing as I did there was a pressure to have a chauffeur . . . My own belief is, the day I'm driven I'll have my colleagues and the Board at a respectable distance, saying "he wasn't a bad chap" . . . but I did accept only two years ago a Rover (Agricultural Processing).

A spot of display may be in order, so as to encourage the others:

The quickest way to do this is to have more people like me going around in a dirty big car showing them what it does for you. . . . I'm more intelligent than that guy, more clever than he is, how the hell did he make it? I'm going to make it! (Paper and Printing).

But there is a risk in overdoing this:

Flowers and a nice front entrance (to the plant) . . . now this has been misinterpreted for making stacks of money . . . they don't know what profit is (Leather and Footwear).

And this is a risk which informants do not seem in a hurry to take, on grounds of their personal inclinations as well as of response to public opinion.

I don't respect people that purely respect their own personal pocket (Paper and Printing).

These men do not give the impression of builders of marble palaces or dwellers in ancient castles. One firm, as it happens, has acquired a mansion for its headquarters, but its biggest plant—no amenity—is in the grounds. Their offices range from the squalid back room of a pub (though this was about to be vacated) to the old and dignified, but are workmanlike rather than luxurious.

But when profit loses its edge as a personal incentive there remain, as these entrepreneurs see it, other socially valuable aspects of it. Profitability for the owner-manager means independence, the chance to realise an entrepreneur's own ideas and to take the risks or make the swift decisions which might not be so easy to justify to a bank, or an official superior, or a Board not so personally identified with the firm; the chance to snap one's fingers at "the millionaire bastard" and his plans for a takeover. To the managing director of the larger firm profitability means that he has his Board and shareholders, or in a co-operative society his members, in control, and can expect a relatively free hand to get on with the development of the business.

The Directors are . . . sensible people, they feel that I know my job and they leave it to me. . . . The other thing is that they know my philosophy that a business is to be profitable, and it is being profitable. . . . We always made this acceptable profit which is very, very high for (our industry) (Paper and Printing).

As regards the internal running of the business, profitability is seen as the difference between a decrepit, run-down firm in which employees either ossify or get out and a buoyant, dynamic concern in which they can see opportunity and security as well as cash advantage ahead of them.

A very decrepit industry . . . when I went to it I saw some men of what I believe was excellent potential that had become totally "demoralised".—"We ran this business quite blatantly . . . to make profits, because we felt that the one measurement of planned growth, expansion, security was the earning of profits, and that that could be the criterion of success (Agricultural Processing).

The employee who is not up to his job may lose it under reorganisation in a profitable and dynamic firm, but has at

least the consolation that the funds are there to make his handshake genuinely golden.

(There was) the inevitable inheritance of some people who might have been carried in a family business, not being noticed, just being recognised: "Oh, Joe does a decent enough job". . . . So we have about fourteen or fifteen people . . . I identified. I bought them out of the business, and one of the advantages of being a company of this size is the profit of the company. . . . We did them extremely well, and all of them have got other jobs and have been able to relieve themselves of a house and debt, and one fellow has achieved his life-long ambition and has bought his own garage (Agricultural Processing).

It is only the mean Prince, as Machiavelli observed, who can afford to be generous.

Last but not least, none of these entrepreneurs show any doubt about the validity of profit as a test of his firm's respect for the national interest in its use of national resources. One can detect a difference of view between informants who are essentially operating managers and others who are themselves experts in finance about the social value of financial operations above the level of the firm, notably in connection with mergers and takeovers. But as regards the validity of the profit test for the individual industrial firm no such division shows itself. Nor as regards firms' market situation—questions of the environment and pollution might in some cases be a different matter—is there any obvious economic reason why it should. Even those firms in this sample which at one time gained most from protection are now in strongly competitive markets, one or two in areas where conditions change literally from day to day or even from hour to hour. Our firm still has a "good healthy 62 per cent" of the Irish market, said one managing director, but it is not so many years since the companies now in the group had nearly 100 per cent. The other 38 per cent has been eaten by competition.

It is interesting that some of the strongest comments in support of the profit criterion, whether as an indicator of the right use of social resources, as the basis for a dynamic enterprise offering its staff opportunity and humanity, or as a means of winning elbow-room for management and the loyal support of Boards and members, come from the co-operative movement, where the test is traditionally service to the farmer, and farmer participation, rather than profit. The implication is not that service and participation should be thrown out of the window. It is that the best and most appreciated service to farmers is likely to be provided by strong, financially viable, co-operatives which can hold their markets, give the farmer the top price for his produce, and afford to provide first-class professional services to help him. A co-operative's organisation and operating methods should be geared to this. The right form of organisation, for example the right relation between the Board and the General Manager or between co-operative staff and farmers, many informants insist, looks more like that of a well-run company under strong though participative management than like a traditional co-operative.

*(b) Service to the national and local community*

In a study of Irish attitudes to wage differentials and income policy, Hilde Behrend [26] notes that Irish respondents show more signs than British of awareness of the community and its problems and of what they might themselves do towards solving them. Gorman and Molloy find that Irish managers tend to rate Irish-owned organisations lower than foreign-owned organisations in Ireland on a number of aspects of management style, but give them a relatively high rating on the item:

There is in general a feeling of great pride in the contribution your organisation is making to the community [27].

This type of finding is repeated in the present study. Again and again informants come back to the direct service which they think their enterprise is rendering, or hope it might render, to its town or district or to the country as a whole.

I felt there had been an awful sufficiency of people who had died for this country. I was determined to contribute something, and did (Agricultural Processing).

I always wanted to make a contribution. You don't have to carry a bomb or stand up on a box . . . you don't have to become a politician (Leather and Footwear).

I have stayed here myself . . . because I've got faith in this country . . . I would like to feel that I might be able to contribute in some way in making Ireland a better place. . . . I wouldn't sell out 220 men here and their families, because I know in my heart of hearts that if one of these boys took this over, they would close it down in a few years' time . . . I think basically I am a socialist at heart, I'm terribly interested in people . . . poverty and ignorance . . . but I don't want to put on white robes and go up the Himalayas (Textiles).

My home town—this is my home town . . . (Engineering).

An informant who had himself started an engineering firm specifically to help his home town suggested that a campaign be directed to Irish contractors and others who have built businesses in Britain, and might be interested to come home and do likewise.

The co-operative movement, of course, offers particularly great opportunities for influencing and even transforming a whole countryside. This, and the social recognition and personal satisfaction that goes with it, can be one of the main advantages of working for a co-operative:

You have a very definite influence on the course of events in your own area, I mean you are influencing everybody's life. This, of course, carries responsibilities, which . . . is a very satisfying part of the job. . . . You sit down and examine everything you do extremely carefully, because it impinges on so many lives. You can wreck the countryside

or you can make the countryside. And, although a lot of other people are involved, you can still walk out at the end of the day, if you haven't made a mistake and . . . take all the credit for it (Agricultural Processing).

But the head of a new small commercial company also notes with pride how the creation of his business made it possible to buy from farmers last year £40,000 worth of a previously unutilised raw material, and this in a relatively poor farming area. The farmers actively involved received around £300 or £400—largely clear income, net of costs—and some earned up to £2,000.

Several informants are involved in local or national politics. Most of the larger employers are also involved in CII, IMI, or other trade or Government committees.

If you've got any talent, good, bad or indifferent . . . you've got to spread it around . . . to get involved in the wider perimeter (Paper and Printing).

But, particularly in the newer and smaller firms, there is a tension between these outside activities and concern for an entrepreneur's own business. A number of informants make it clear that their primary service to the country, and the one to which they give priority, is to make a success of their own enterprise.

(c) *World standards*

Whether in design, technology, or professional management, these informants show themselves very much aware of the need to measure up to world standards. Ireland is still only creating its own industrial tradition. There can easily be "a false security, so far as business is concerned" (Agricultural processing), which travel and external contacts are needed to correct.

It frightens me to see the minds and skills which foreign businessmen have (Quarry Products).

The outside world need be no further away than Northern Ireland.

We're very close to the Border here, you know, and there are some very good business people across in the North . . . in this line of business. . . . They got into a lot of new ideas . . . I think they're harder workers anyway. . . . You know around here we're moving a lot earlier than people in other parts of the country, we start work a lot earlier . . . and put more effort into the day too. I'd say . . . it's a lot of influence too from people coming across the Border . . . Living as close to competition as we are, we've only to make one slip at all and we're lost: there's no restrictions against stuff coming across the Border (Quarry Products).

But the countries in which these men have learnt their business or with which they trade, reads like a role-call of the world; textile technology from Leeds, business management from Stanford, automobile technology from Dagenham and Detroit, mechanical engineering from Germany, building technology from Denmark, general working experience in countries from America to Rhodesia and Mauritius, not forgetting the merchant navy; exports to wherever the market may lead: association with firms in Britain, France, Germany, California or Australia. A constant theme is that it is those who have gone out and come back who are likely to start effective new small industries, and that in any case travel and vigorous use of foreign technical literature are essential to any Irish businessman who hopes to survive in world markets today.

(d) *Straight dealing.*

A common theme from informants in both large and small businesses is the need to build a reputation for straight dealing.

From the very first I never said I would deliver it in two weeks and I couldn't. And that has been my golden rule (Quarry Products).

It's the quality of the raw material and the quality of the work, I'm sure, that stands to us. You would hear a lot about fresh timber, and some buyers would tell you that they were buying from so and so, and the job was nice, but when you moved into a house with central heating it turned into a circle (Woodworking).

I went out to places like Australia, South Africa, and all over the world travelling. The first time you were asked —“Haha! an Irishman?”, and the second time they say, well, that's once more than the previous time. . . . The third time they would say, well, maybe that fellow is interested, we should talk to him a little bit more. The fourth time, they think you mean business. . . . We have this backlash of going out selling so much of this or making excuses . . . this is our track record. So many have gone out, hop on an Aer Lingus jet and to America, and say “Jesus how are you?” to the Americans, “I can make this number of chairs and carpets”. And we have left a train of disaster after us (Textiles).

We still have to live down the total dishonesty of those who sold meat in England . . . the bad quality . . . heifers sold, bought, and delivered genuinely for three weeks, and then the cows . . . and . . . any trick of the loop work . . . Our reputation is known now in Genoa, Milan, Rome, Antwerp, anywhere you like, for one reason: this is the Irish firm who do what they say (Agricultural Processing).

Honesty and integrity, so get those right! (Leather and Footwear).

(e) *Hard work but human living*

The philosophy of a hard and honest day's work belongs naturally together with the philosophy of straight dealing, and informants have plenty to say about it. Several note how work habits in Ireland have been changing. A textile manufacturer said that when he started in business it was hard to get an

appointment in Dublin before 10, and the first business of the day was likely to be to go out for coffee to Bewley's. Today you could rely on making an appointment for 8.30. The senior staff of another firm had been used to coming in towards 10; now the Managing Director could expect them in from 8 onwards. Several informants said they had difficulty in getting over to the rest of their employees the message of real work, but still felt they were making progress.

They are not interested in doing overtime. They just want to plodder along. There's no enthusiasm about them at all, they don't want to get up off their backsides at all. 70 per cent of the people are like that. . . . We find we can train them out of it, but it is difficult (Engineering).

Informants report themselves personally as hard workers, stubborn, staying with the job, capable of long hours and sustained bursts when that is required, especially for getting a business or a new project off the ground. If necessary they are prepared to take big risks with their family life in the start-up period or while a rush is on.

In our earlier days I . . . probably stretched my marriage to its limits by being away from home . . . I realise now how near the wind I must have sailed (Textiles).

When the second boy was 14 and was a bit of a problem, straight from the shoulder he said to me that: "Well, Daddy, when you worked to twelve or one in the morning reorganising (the business) you were no help to me" . . . It was a fair comment . . . and I know that it made it very hard for my wife at the time (Agricultural Processing).

For their own part they are not complaining, for they enjoy their work.

The fact is that business is the most fascinating game. When I was feeling a bit low some time ago I said, imagine facing another nine years of these kinds of belly-aches; and this . . . man said, I'd rather face another nine years of

belly-aches than nine years of no belly-aches. . . . There is nothing so bad as a perpetual holiday . . . dying in harness is a true saying (Quarry products).

You go on to something all the time, there is no such thing as a dead stop, or dead level. But you get a good kick out of it (Engineering).

I never look on this place as business or work. I enjoy everything (Engineering).

But in the end there is always a reservation, which one man expressed thus:

Let's get the living right first anyway. . . . An employer who's wound up—he can't go into a pub and talk simply—he is always under pressure, he is thinking about the next move—is he living at all? (Leather and Footwear).

By all means put in the long hours and the hard burst of work needed to get a project started, says another; but then take time off, go off for a cruise or whatever it may be. Work five hours in the day if you wish, says still another, but work it *in* five hours, not in eight or more. In interview after interview informants say that they will work full time and if necessary overtime during the working week, but when Friday night comes the switch is thrown off; the time has come for free time, for the family, or sport, or for that matter for politics, playing in an orchestra, or simply a few drinks with friends. Time must be kept for the other side of life and for enjoying the amenities of Ireland. More than one informant is, or has been, eminent enough in his own leisure-interest field to be easily identifiable if the field were named here.

Wives are reported generally as home-centred and supportive; someone to talk to, interested in the business, but unlikely to be actively involved in it. One man who says that he can never really turn off from the job appreciates home life as "a part of the day when you don't have to make decisions" (Engineering). Some wives become actively involved at the start: they put in their savings, or did the clerical work:

If the girls weren't out there she's quite capable of coming up tomorrow, and she knows exactly what's going on (Engineering).

—or provided a financial safety-net through their own earnings as a nurse or in the pub. But by the time the business is well developed they fade into the home background. They have fringe benefits, over and above the generally high standard of living of a successful businessman. A small employer might be able to organise the building of a house at a speed, or at a stage in his career, or to a standard, which the ordinary employee could not match. One, at the time of interview, was within a week or two of completing, in two months from the start of work, a large home on the most superb site the author has met around Dublin, and at a cost which sounded, to say the least, modest. For the wife of the head of a larger business there is pride in her husband's nationally-known achievement.

She is extremely proud of me and my performance. . . . When she comes here to Dublin you walk into the Shelbourne and you will find people who say "Hello" to me. . . and as well as that, because of me, she is emotionally involved in (the business) (Agricultural Processing).

But even in husbands' statements there comes through the impression of a not entirely resolved tension between home and work, which may not disappear even when the most urgent pressures of the early days of a business are over. An older man long at the head of an established firm says:

When I go home at night I have very little energy, so my . . . wife has developed quite a wide circle of women friends, and fortunately she is sociable and likes to chat with them. We both agreed that I wasn't a bit sociable. I see people during the day, and at night I like to have solitude (Quarry Products).

There is, however, one source from which relief for wives in a case like this may be on the way. Several heads of larger businesses insist that the pace of work and strain of decisions for men at their level is such, if they are doing their job properly, that it would be wrong to delay retirement to the customary age of 65. One is himself dropping off from the chief executive job before he is 50. Another had advised his Board to bring the regular age of retirement back from 65 to 60. Another has a keen eye for the day when he himself may feel that:

I don't want to do something, or want to spend a lot more time away from this thing to play golf, or even get into a situation in my mind whereby I want to sell this company. (Then) it's time I went (Textiles).

None of these men is likely to become unemployed. They have plenty of other interests, commercial or otherwise. But the pressure of a top executive job is something from which, if their own policies are adopted, their wives as well as they themselves can hope to see them escape.

### 3. *Then What of the Others?*

THE point of asking entrepreneurs about the factors, attitudes and motivations they see as underlying their success is not only to find how they perceive their own history. It is also to find what differences they see between themselves and others who have not followed in their footsteps, and what gaps they think need to be filled if the country is to generate more Irish-owned enterprise.

Many of their comments on recent trends in Ireland affecting this, including several already quoted, are strongly positive. Informants point to the general transformation of the economy and the standard of living in the last generation, and to signs of the emergence of a new business class, of which they themselves are examples, but including also a new class of able financial operators in the banks and other financial institutions. They express appreciation of the lead given by certain semi-State bodies, for example Bord Bainne, directly in trading or other operating activities as well as through services like those of IDA to private entrepreneurs. The fuller version of one informant's comment quoted earlier is that:

Industry today is being run well, not . . . in an inherited capacity but . . . by professional people . . . the people who are now in their late thirties or early forties. These in some cases are the inheritors of family businesses, or of family businesses which are now public companies. . . . But their fathers have been very wise, and when they had good bright intelligent sons, they didn't just bring them into the business. . . . They taught them the professionalism of business generally (Agricultural Processing).

Another commented on how the old closed circles of Protestant

and Catholic businesses are beginning to break down. An informant from a co-operative noted the emergence of a new, lively and receptive generation of young farmers in his area, readily accessible to a strong lead from their co-operative. A number of informants, as has been said, expressed their general faith in the basic qualities and potential of Irish workers and managers.

One hypothesis in mind at the beginning of the enquiry was that there might be some suspicion or jealousy of the local man who had made good in a new industrial enterprise, and that this might discourage enterprise in the first place or put the brake on it later. But informants gave practically no support to this. There might be little or no active support in a local community for a new enterprise; we return to this below. Local people might ask whether there was not some hidden support to ensure so surprising a success. But any local discouragement was likely to take the form of scepticism, not opposition.

*A lot of them are bewildered, I'd say. A lot of them come along and say, "You've really done well, and more credit to you . . . (But bewildered in what sort of way?) As I say, we came from a very poor family, and however did he do it? . . . A lot of them think the idea is backed by someone else: by Roadstone or some of these big firms (Quarry Products).*

But with these more positive responses went a number of criticisms, often strongly expressed. These focused around three major points about the present-day culture of Ireland, over and above any of the more specific points mentioned earlier about deficiencies in areas such as industrial training.

(i) *Honesty, integrity, hard work*

One of the most disturbing features of these interviews was how often informants came back to the thesis that what families, schools, the Church, the social system, and the business system itself have failed to produce in Ireland is people with the basic

virtues of honesty, integrity, and hard and purposeful work. Informants' comments, quoted above, on straight dealing, establishing that an Irish businessman's word is his bond, and hard work plus civilised living were intended not only to express their own philosophy but to differentiate it from ideas and practices which they see as far too widespread in Ireland. An informant, most of whose business experience had been in England, practically exploded over the state of affairs under this head:

I have been rather horrified in fact, since I came back to live in Ireland, at the low moral values here. I am not speaking of sexual matters, I mean generally. People make appointments which they do not keep, which, in fact, they make glibly with no intention of keeping. Business people will make promises which they can't keep, and they seem to think they are doing you a favour by making the promises, that this is as far as they are expected to go. What I would call the Protestant work ethic is badly needed here. . . . I wonder if it is based upon religion, or upon the education they have got which is so religious here? . . . This is why Ireland needs the North as a sore needs antiseptic (Engineering).

But this informant gave an interesting turn to his criticism. There is a nugget of gold hidden in the slough of sloppy work habits of which he is complaining:

Maybe it would be a good thing if everybody came here and adopted our double standards, or dropped theirs, because it seems to me that the countries which are most industrially organised—America, Germany, Japan—that the price they pay is the dropping of certain human aspects of living, and taking on in their place mechanical standards . . . whereas one can say at least that the qualities of life here are . . . most important (*ibid.*).

His point is not simply that Irish standards of honesty and

reliability are often too low. It is that too many people in Ireland have failed to find the sort of reconciliation which the entrepreneurs in this sample have worked out for themselves between hard work and free time to enjoy the good things of a civilised life: hard and effective work within the time set aside for that purpose, but a firm reservation in favour of time for free time as well.

Others speak in the same way. An informant from a co-operative speaks of the slovenly time-wasting habits of some of his members:

It is quite difficult sometimes to convince a farmer who has about fifteen productive hours in a week that it doesn't raise a forty-hour salary. . . . Any fellow who will put in forty productive hours on a farm will have in excess of any industrial worker, but most of them . . . are only doing about a quarter to a third of a week's work. They take seventy hours doing it, but that's only beside the point (Agricultural Processing).

The farmer has inherited his land, and therefore his capital is zero. He makes enough to live on, and he says his prayers, and it's beat into him every Sunday that he needn't give a damn about this life, it's the next one he is going to (Quarry Products).

At the level of the ordinary working man a number of informants comment on low motivation and the preference of a large majority for continuing to "plodder along". Though informants agree that in the Dublin business world and in the professional and managerial world generally standards of work are improving, they still find many deficiencies. A man with an interest in a number of small businesses would still like many of the people he deals with "to be here in the morning before a quarter past ten", and to keep their lunch break to something shorter than 12.30 to 2.30:

O.K., they want to work a five-hour day: don't spread it

over eight or nine hours and hold everybody up as well (Engineering).

He criticises accountants not only for old-fashioned practice—sticking to auditing, instead of moving on to business advice and management accounting—but at times for something approaching dishonesty. The figures prepared for one small firm with which he is connected looked as if they could not be right, and he checked them with English accountants and found that this was so. On checking further he found that they had been prepared by a first-year student, and the accountant responsible had never actually seen them himself. The accountant in this case did not get his fee.

Another man comments on the tendency in this country to cover up mistakes.

How studiously we avoid having the courage to admit our mistakes, and having the moral courage to stand up and rectify what had gone wrong, regardless of the criticism you would get (Agricultural Processing).

The money that enthusiastic farmers put into Cork Marts' purchase of Irish Meat Packers is gone, but "today the attitude of mind is still not to tell the truth" about the debacle.

Complacency, certain managers note, too easily grows once things are going well in the firm and the country.

There is less and less interest at an ever . . . higher level. We are casual people. My opinion is that we have come very far very quickly in Ireland, and that our roots and inheritance are such that we haven't developed a maturity to cope with this advance. We express it in not getting involved, in immature drinking, in immature attitudes to life generally. . . . I'm finding that some of those who came up and were the most enthusiastic in the days of 1964 to 1968 have now got a little complacent. . . . "We'll leave it

to somebody else: we've done well" . . . I think they were more hungry then (Agricultural Processing).

Another firm's sales of a certain product improved sharply when they were put in charge of "a fellow in the office who came from the hungry part of Western Ireland" (Quarry Products).

Explicitly or by implication, informants accept that much of the responsibility for the state of affairs which they criticise and for putting it right lies with management itself. It is owners and managers themselves who have tolerated less than honest dealing or slovenly work habits, the state of affairs which one manager illustrates by contrasting the much better work habits of green labour in a plant in a small country town with those of workers educated to the customs of the Cork labour market. Informants themselves are, as has been shown, very much aware of the need to raise standards and are working at this actively and with success. The writer happened, in connection with another enquiry, to have the chance to interview employees at shop floor, supervisory, and management level in two of the establishments of one informant's firm, and saw on the spot the extent to which top management's drive to develop a sense of the urgency of competition, and of personal opportunity for those who choose to make the effort, is making itself felt right through management and supervision and on down to operating level [28].

Informants themselves, as has been said, are optimistic about the outcome of their efforts. They have faith in the basic qualities and potential of Irish workers whether on the shop floor or at management level. But they do not anticipate quick or easily maintained success. And meantime they ask for more help than they have hitherto had in these basic matters of personal conduct from what they tend to see broadly as the educational world, including families, schools and colleges, the Church, and the communications media.

(ii) *Education for practical life*

The next group of criticisms is directed primarily to the educational system, in its ordinary meaning of schools, colleges, and sometimes also technical training institutions. Too few Irish boys, informants say—girls, with one conspicuous exception mentioned earlier, hardly entered into their comments at all—have had the practical type of education which would qualify them not merely as functionaries but as people who can detect new problems and opportunities, calculate and take the risks, get the appropriate action moving and make a go of an enterprise on their own.

Practicality, in the sense these informants have in mind, is not at all the same thing as the distinction between a technical and an academic education. But one aspect of it is that in many types of enterprise and managerial work it is an advantage for the entrepreneur to be able and willing to get down to the job himself and do things with his own hands, or at least to have a feel for physical creativity and self-confidence in dealing with it. Informants look back to the time in their boyhood when they were “always putting two things together”, acquiring a familiarity with the physical feel of things and confidence in their own ability to make and adapt them, and say that this is what they too often find missing in the products of the Irish educational system.

In the kind of education we have here there is a hell of a gulf between the mechanic and the engineer. We don't breed a technician class, and the engineer is not willing, up to recently anyway, to really start down on the ground floor. Canadians and Americans are much more accustomed to physically doing things. The last time I spoke to a Canadian mining engineer, he said that after he qualified he went down to a mine and he learned every machine down there . . . he learned to talk to men and how they thought and their attitudes. Now that is a class of people that is very scarce. I think its origin must be the fact that we have the misfortune to get a school teacher

running this country instead of a carpenter . . . The highest quality of training and intellect in this country, the best brains, become doctors, lawyers, architects, or they go into the Church and become bishops. But somehow we have lagged behind in applying technical knowledge to practical things. Even the engineers themselves, there seems to be a gap somehow between their training and getting on their back under a lorry and seeing what the bloody hell is wrong . . . I'm impatient with the lack of practical approach. I often ask a fellow, what are your interests? And you'll have a fellow who says, well, I play rugby or golf. Then I say, well, do you make anything? I think there is a vital lack in this country of interest in practical things. I don't know how to explain it. I only know that they have got it in Germany and in the US . . . I'd begin in the schools . . . I'd start off how to make a chair, how to repair a roof, and how to do things. I think our educational system is so impractical. In the States they have sandwich courses, when they . . . go to university for six months and then they do something practical . . . It's this lack of contact between what's up here in the brain and the physical feel for things (Quarry Products).

Things in this respect are improving, this informant said. But, he added, there is still a social discrimination against those who do physical work.

I think that physical work here, because of our social structure, is looked down upon, whereas in America it is not. . . . Engineers are quite down low. Doctors, lawyers, architects, these guys are the top, and not the people who do physical things. Only those who after a while become well off . . . can be accepted, but then they can be sneered at because of what they once were. . . . A builder came in who had been a carpenter. Now this chap was one of the finest characters you could meet, but the engineer started

sneering and saying, "Oh, here's this carpenter" (*ibid.*).

Other informants pointed to gaps even in that practical craft training which is given; training on too narrow a front, training too elaborate for normal Irish needs, but sometimes also a lack of rigour and discipline in training centres. One was actively engaged in a plan to put his own industry's craft training scheme on a wider and more flexible basis, intended to give trainees not simply the how-to-do-it of the trade but a broader grounding from which they could develop and adapt as techniques changed.

On the more academic side of education, informants readily recognise the value of what Irish schools and colleges provide.

Look at what UCD and Cork and Galway are turning out: as many brains as any country in the world! (Textiles).

A number who themselves missed a full academic education are explicit in regretting it. There are repeated references to the value of evening study and getting back to school. One or two, looking back at their own education, recognise—though perhaps a little hesitantly—that in this or that college they not merely learnt but learnt how to learn, and that even the hard grind of mechanical memory learning counted for something in this. But a number, picking up the theme that an entrepreneur must never cease learning, say that learning how to learn is precisely what they miss in the products of the Irish educational system. A successful businessman must not only know how to master a prescribed syllabus. He has to prescribe it for himself; to scan widely, to identify the areas of learning relevant to his own problems, to master those areas—which may well be very different from those with which he is familiar already or in which he has a basic qualification—and to refuse to waste his time on areas not relevant to him, even if these are normally studied together with the relevant areas in formal educational practice. He has to study critically, for often it is precisely through seeing the gaps in received knowledge and practice

that he gets the idea for a business breakthrough. For the same reason he needs a wide-ranging mind which can think sideways and make unexpected connections, for he needs to be able to identify not only the areas of study relevant to his problems but the problems themselves. He needs to be open to the free exchange of ideas and not secretive; as, some informants say, in Ireland he too often is. These are the qualities of mind which a number of informants feel are not being sufficiently developed by the style of formal education usual in Ireland.

Nor, some of them suggest, is enough done to develop the capacity to learn from experience, as apart from academic courses.

Just to quote, my brother was very interested in these courses . . . and he was very good at them. Now, he bought more courses that aren't worth a damn. . . . And I said, I want something done: I'll pay you a fiver a night for two weeks to go out and try to sell these . . . things . . . I reckoned it couldn't cost me more than a hundred quid, you know, but it didn't cost me anything. And he came back and said, "I did nothing". Well, I said, let's have a look at what you did, so I picked up the (record). And your man said this, because so and so, and your man said the other . . . and I said, that's marvellous! . . . He didn't realise the value of what he was doing . . . not going in accordance to the text (Engineering).

The practical side of schooling is very important. You never learn anything until you have to do it, so what you should spend your time in school learning is learning how to learn (*ibid.*).

Business needs flair, and too often in Ireland:

A graduate tends not to be a man with flair . . . I mean to say he doesn't understand what is happening. He is trained to think after all, for many years—crucial years of his life—in a certain way. . . . It is very few of them that

are coming out with Harvard backgrounds (Paper and Printing).

More specifically, informants point out that Irish schools and colleges do not convey to their students a picture of what business at its entrepreneurial end is all about, or what the opportunities for them in it might be.

I think if you had . . . a number of lectures . . . on very simple examples of how someone does make money . . . you could stimulate . . . the interest of people to say: I think I would like to do that, I'd like to have a go, I'd like to gamble with my own life, my own business. I think if people knew even at the age of 15 or 16 what it was really all about—and you know it can be an exciting gamble . . . it can be rewarding—I think this would probably stimulate more interest in people to be on their own. Because certainly the one thing that is never mentioned at school, and . . . in university you never come across this . . . (is) how to succeed in business (Quarry Products).

This is taking up again the theme raised earlier with reference to IMI or IDA, that people in Ireland may pick up in one way or another an idea of what is meant by working as a craftsman, a professional, a civil servant, or by running a service enterprise like a shop or a pub—or of course a farm—but need to be told much more specifically and directly what is meant by entrepreneurship in industry or other less familiar fields, and to have the message delivered to their own doorstep.

It may be a question of correcting misconceptions, for example about the social role of profit, on the lines of the comments by informants quoted earlier. But the message needs also to contain two other elements. One is simply about the way to get things done in the world of risky enterprises, where there are no set frameworks of organisation or professional custom or directions from superiors, and the pioneer, whether out on his own or path-breaking within an existing organisa-

tion, has to write his own charter, assemble the elements needed for an enterprise himself, and force his enterprise through. The other is about the entrepreneurial way of life, the challenges and interests it offers, the sort of attitudes and abilities it needs, the way an entrepreneur uses his time, or the role of money in an entrepreneur's own life. The entrepreneurial life, as these informants present it, is in every sense a good life; interesting, exciting, balancing risks against rewards, dealing with people as much as or more than with things, full of personal challenge and social as well as managerial responsibility. That is not the image of the business man which they see being delivered to young Irish people today.

The message will also, informants implied, need to contain some reference to issues which have still to be finally decided. Two, for example, comment from different angles on what has still to be done to equip people in Ireland for the right and effective use of money. One, referring to familiarity with large-scale financial operations and the socially responsible management of big fortunes, said:

We are beginning to see national wealth growing at a very fast pace here in Ireland . . . To deal with national wealth, which other countries have got over . . . is something we are going to find extremely difficult. I think we are going to go through periods in this country similar to what Italy has been through, and we are going to have more social unrest . . . I think we are going to have great affluence in the 'seventies and 'eighties; I don't believe the people are tuned to handle it . . . We went through that middle period . . . in the 'fifties and 'sixties when the country was becoming very wealthy by its previous standards. So all the power lay with a few people who knew each other . . . the power was confined, and the people coming up did not know how to handle this particular wealth. And now they are beginning to handle it usefully . . . (Paper and Printing).

Another stressed rather the need for restraint and frugality in what is still a developing country.

I'm going back again to education . . . it's in here in the mind, in the soul . . . Now, we don't have to have terribly expensive things to be happy . . . you know we are a very poor country . . . but . . . that doesn't necessarily mean that we should be an unhappy country. The trade unions have been realising that money is not the answer to contentment . . . This is the thing, then, this should be explained: to live first, because you can only absorb a certain amount anyway . . . Let's get the living right first (Leather and Footwear).

The group of comments included in this section was directed strongly to the schools and colleges. But it was clear from informants' accounts of how they run their own enterprises that much of the most effective education for entrepreneurship in Ireland today is being done by managers who, on the lines quoted earlier, create a climate of dynamism and enterprise among their own subordinates. Much of the most damaging mis-education of people in this sense is also the business of management. Informants identify plenty of cases where employees with the capacity for development have been left to ossify or deteriorate on the job. Criticisms about practicality, like those about honesty and integrity, call for action by more than one sort of agency.

This action, so far as management is concerned, will need to include creating an encouraging climate for subordinates, but also to go somewhat beyond this. Informants distinguish in their comments between the qualities which fit a subordinate to respond well to this sort of climate in his subordinate capacity, and the extra something which fits him to go out into business on his own or to print his own ideas autonomously on the organisation which employs him. Identifying and helping the people with this latter set of qualities, or capable of developing them, is, they indicate, a task on its own.

(iii) *World standards*

A last group of criticisms is to the effect that not enough has yet been done in Ireland to make people aware of the actual standards of workmanship, management, and business leadership in the world outside. This, informants say, leads on the one hand to brash over-confidence in Ireland and unawareness of how much has still to be done to bring Irish standards up to world levels, and on the other to hesitation, lack of confidence, and failure to realise that Irishmen in Ireland can measure up fully to world standards and have in fact done so.

We are going into a new business, completely new in this part of the country, and very few in Ireland either: and what were at it in Ireland were people who hadn't competed effectively in the market . . . I believe it takes four times as long to build (our type of product, in the biggest Irish plant making it) as it should . . . Even (my father) thought it impossible . . . I had no hope, he said . . . Personally I think (a man who) stayed in Ireland and worked in Ireland all his life, I don't think would do it. I don't think I would have done it if I hadn't been outside the country for four or five years (Engineering).

Well, of course, there is the in-bred thing here, and it all stems from one thing only, lack of pride . . . there is a tendency not to be proud of Ireland. Do you appreciate that there are ten firms in Ireland importing about half a million quids' worth of material which is manufactured in Ireland, and we are not even given the opportunity of quoting a price for these? I wouldn't mind if we weren't given the order because of quality or something like that, but the British way of doing things is assumed to be the best (Engineering).

There's a great tradition in Ireland about security: permanent and pensionable jobs . . . I suppose it's the way the country has developed, that we always felt

insecure and not sure of ourselves, and we all have the ability, but we haven't the confidence (Quarry Products).

You're an Irishman all right once you've been out of the country (Quarry Products).

I can remember myself at fourteen being very angry if somebody talked about dear old dirty Dublin; to me it wasn't dirty, because I had never seen it as being filthy before. In other words there wasn't any comparison, in an island . . . Basically, we have been brought up as second-class citizens; we have been told that we had been suppressed for so many years . . . I don't think there are enough directors—those who are directing these . . . children in the school—taking them out into a broader sphere . . . I know we've been hammered like hell for seven hundred years by somebody: we know all this. But let's try to take the sting out of these people, and give them something to go for; say, stand up and be counted! . . . We have bred a race of knockers (Textiles).

Standards of management are still generally poor in Ireland, says this last informant:

And the awful part of it is that no one knows it. I am not speaking of everyone: there are exceptions in every rule . . . They haven't gone through a proper routine, which I have been fortunate to have gone through because I have been exposed to others outside the country . . . (*ibid.*).

The actual experience of Irish executives, as several informants pointed out, is already changing this state of affairs, particularly where their experience involves exports and overseas travel. The Irish Management Institute and other educational and training bodies are making an important contribution. But much more remains to be done. A number of informants' suggestions towards this centred on the idea of increasing the number of people in Ireland with relevant

overseas contacts and experience, who can either use their experience directly themselves or act as gatekeepers through whom this experience is transmitted to others. The term "gatekeepers" is borrowed here from the Agricultural Institute's study of the channels through which relevant overseas knowledge reaches its research staff. Certain members of staff, the Institute found, tend on the one hand to be "sociometric stars", centres of communication to whom their colleagues turn for advice and information; on the other to be skilful in building networks of information outside the country, or in maintaining the networks which they acquired through, for example, working in a research organisation abroad [29].

One suggestion which arose in discussion with informants in the present enquiry is that the State should establish a deliberate and subsidised programme of study tours abroad, including spells of work in appropriate organisations, for experienced executives and technical staff; people already qualified enough and far enough on in their profession to be able to show a good expectation that they and the country will benefit. More might also be done to encourage movement in the opposite direction, bringing in experts from this or that field on temporary engagements to work with even the smaller firms, or perhaps to go into these firms more permanently as partners.

In both cases the practical point is about scale. This sort of movement already takes place and, sporadically, receives Government support. The proposition is that the volume and regularity of it should be greatly increased. For instance, the number of executives and technicians on subsidised study assignments abroad might be raised to two hundred, or more, at any one time, over and above any who are travelling and working abroad in the ordinary course of their organisation's business.

(iv) *Business education and the business life*

The term "business education" often suggests something that is either dry, inhuman, and technical, or concerned with

what Aristotle reprehended as the art of money-getting, or profiteering devoid of social concern. It is significant therefore that when one correlates these entrepreneurs' comments on what is missing about Irish education—in its widest sense, not only in schools and colleges—from the point of view of getting more Irish-owned and Irish-initated businesses, what they turn out to be asking for is something quite different from this. They criticise Irish education not for being too wide and humanistic but for its narrowness in several important respects, and for failure to develop a number of generally valuable human qualities. They want more people who are both academic and practical, not those who are trained merely to be desk-workers and are ignorant of the physical feel of things and the creativity of the craftsman, artist, or technician. They ask for people who are masters of a profession or craft in the sense not merely of knowing the current how-to-do-it but of having learnt how to learn, and of being able to think further and to build onto their knowledge, develop, and adapt. They want people who do not merely have an outside acquaintance with some field of knowledge, but have learnt how actually to make new things happen and to keep them happening, dealing with the human as well as the technical problems that this involves. They want people committed to Ireland, but aware of, and working to, world standards; and people who, underlying it all, have acquired more than is sometimes found in Ireland of the basic and essential virtues of honesty, integrity, and hard work. Gorman and Molloy have some brief comments to a similar effect [30].

If these are the qualities which successful entrepreneurs do not as yet see being generated in adequate quantity by the various agencies which shape Irish culture—families, schools, the Church, the business system itself—the indictment is not only a serious but a general one; one which has relevance well beyond the field of business itself.

The more positive side of this indictment is, of course, the favourable view of the business man's life set out in the comments by entrepreneurs quoted in Section 2. So positive

and favourable a view of the business life may well surprise readers who think of business primarily in terms of the worker or clerk, or of the not too senior manager buried in the hierarchy of a large, bureaucratic concern. But actually both visions of business life are correct.

The static and undemanding quality of the work done by many people in large organisations in Ireland, its narrowness, limited horizons, small scope for initiative, and capacity for producing ossification and mental and spiritual degeneration, has emerged in previous enquiries by this writer as well as by others [31]. Informants in the present enquiry had a good deal to say about it, for that is the state of affairs from which they themselves escaped, or had to fight to avoid falling into, and from which many of them have set themselves to break away so far as their own subordinates are concerned.

But the life which entrepreneurs like these informants themselves live, and are trying to create for others, is a good life, stimulating, responsible—socially as well as in the firm—and creative; in addition to being prosperous, so long at least as risks continue to be well judged. Whether in Ireland or elsewhere, when this writer has had to deal with heads of businesses, or with people who have carved out what might be called a quasi-headship within a larger organisation, they have never as a class—there are always individual exceptions—failed to impress in terms of personal qualities as well as of economic and managerial achievement. One of the lessons of the present enquiry is that a shift of the Irish business system towards native entrepreneurship, if rightly managed, will not only demand, but itself constitute, a deepening in the general quality of Irish education and culture.

#### 4. *General Conclusions*

FROM the nature of the sample of entrepreneurs used, this enquiry can lead to conclusions only within the limits set out in the Introduction. It is a ranging shot, to form an impression of the areas which should have priority in further enquiry and action. The evidence collected is impressionistic, and has deliberately been presented accordingly. Its force is suggestive, not conclusive.

Further, the enquiry has been confined to industrial entrepreneurs. No doubt many of its findings would apply to other fields as well. But the tourist industry, for instance, or the service industries like banking, insurance, or universities and research centres, which have an export potential of their own, over and above their indirect value through the help they give to industry or tourism, have a different set of market and managerial problems; and so, of course, has farming.

But within these limitations certain broad conclusions do suggest themselves, in a form which cuts across the order in which the findings have been presented in previous chapters.

##### (1) *The nature of entrepreneurship in Ireland* (Introduction and Section 2)

It was shown in the Introduction that successful entrepreneurs in Ireland are not a different breed from successful entrepreneurs anywhere else so far as their personal backgrounds—family, education, career—are concerned. This point can now be developed further in the light of informants, own statements about the qualities to which they attribute

their success, as set out in Section 2. Clearly there are many more questions one would like to ask about these entrepreneurs' self-portrait. One would, for example, like to see how the way they perceive their own ideology compares with the way it is perceived by their associates and subordinates, and how it compares with more objective measures of their firms' methods of operating. It would also be useful to compare the record of successful entrepreneurs with that of others who have not done so well. But one thing at least is immediately convincing about these informants' account of what it takes to become an entrepreneur in Ireland; namely that what they say about their own qualities tallies with what has been found more objectively about entrepreneurs elsewhere.

These men and their firms are, undoubtedly, cases of entrepreneurial success: that was the basis for selecting them. The factors associated with this type of success have been analysed from international data, notably by McClelland, and look remarkably the factors which these entrepreneurs identify in themselves [32]. People high in the achievement motivation (NA.ch., in McClelland's term) which leads to this sort of success, tend, he finds, to like a reasonable gamble and a moderate challenge to their skills. They aim for an expert, hard-working level of performance, and have confidence in their own success. But they like to proceed stepwise, using feedback from their last moderate-sized step to guide them towards the next. They tend to value money as a test and a recognition of performance rather than for its own sake.

Those who are attracted into the market place *primarily* in pursuit of wealth or a higher standard of living are *not* the ones who are most likely to produce the economic development. They are not oriented enough towards achievement, towards doing a job for its own sake [33].

Though people high in achievement motivation can drive ahead under their own power, they are not specially individualistic. They can work as group members or team leaders as

well as on their own. And all this is just what informants in the present survey say about themselves [34].

Writers on management such as Whyte [35] and Likert [36] add further characteristics on which, again, informants' self-description matches the world pattern. The style of management appropriate to a moderate-sized or large enterprise in a state of change and development, the case relevant to entrepreneurs, is rather likely to be participative. But this does not at all exclude drive and even ruthlessness on the part of chief executives. In his *Organisation Man* Whyte notes a difference between the attitudes of managers some way down the line, who tend to stress the case for participation rather exclusively, and the harder attitudes, the greater sense of having to take and enforce decisions and steer an organisation on an executive's own authority, found at chief executive level. Participation needs a driving and guiding force to organise it and make it work. Wilfred Brown's writings on the Glacier Metal experiments make the same point [37]. Other studies show that in relatively small firms, though participative management may be effective, so too, even in a time of change, maybe a more authoritarian style, for this type of firm can become the "vehicle of the master craftsman" [38]. A number of the smaller firms in the present sample could be within the size limit for this.

Further light is cast by studies by Clark Kerr and his colleagues of the "industrialising elites" of different developed or developing countries [39]. Among the "industrialising elites" of the world, the leaders of development in Ireland, whether in Government or in the private sector, belong to a recognisable group. There was once a "colonial elite"; it left its mark and has gone. Some foundations existed for a "dynastic elite", in the network of old Protestant families, particularly well established in business. But this group overlapped too much with the "colonial elite" to be in a position, once the "colonial elite" left, to take the sort of national lead given by "dynastic elites" in the industrialisation of countries such as Japan and Germany. Even in the strictly business sphere

informants in the present enquiry note how the old family networks have been breaking up, and some informants are in a hurry to help their demise. A new dynastic elite could grow up in Ireland, based on a network of established and leading political and business families. An interesting question for some future investigator in the field of this paper is whether the second and further generations of descendants of the first-generation entrepreneurs studied here will contribute towards forming such an elite. But as yet any tendency that way is only in embryo.

A "revolutionary elite", as in the countries of Eastern Europe, could have generated a powerful wave of entrepreneurial motivation based on public service. A "middle-class elite" might have put the accent rather firmly on the accumulation of personal wealth and power. But what Ireland has actually had has been a "nationalist elite", men whose roots ran back into the struggle for independence and the Civil War. The experience of many countries suggests that leaders of this kind are likely to use both the public service model of motivation and the desire of the "middle-class" entrepreneur to carve a slice of the equity for himself, but subject in either case to the overall rule that patriotism and the needs and solidarity of the community take priority in the last resort. The mixed, intermediate pattern of motivation that results is likely to reveal itself in the private sector, as well, for example, as in the entrepreneurial activities of semi-State corporations.

All this, whether from McClelland, Likert, Whyte, Brown, or Kerr, sounds remarkably like the self-portrait of successful Irish entrepreneurs as presented in Section 2. It looks as if this self-portrait is a fair one, and, furthermore, as if it slots in to categories recognisable from international research in a number of related fields.

There is further confirmation of the truth of this impression in Gorman and Molloy's study of the general climate of management in Ireland in 1971, and not least in its contrast with the findings of some earlier Irish studies. It is understandable that Irish business leaders of an earlier generation should

have appeared as tough, cynical and authoritarian, compared to their opposite numbers in America or Britain, as they did when studied some years ago by Barron and Egan [40]. Studying successful heads of large Irish businesses, these authors found that to build a successful business in Ireland had in the period of their informants' careers needed a more authoritarian sense of management than in countries such as the United States or Britain. In Ireland creative and adaptive leadership in industry has been associated with an ethic more familiar in these other countries in the past than today: with "fundamentalist" religious beliefs, a strong moral code, and "inner-direction" as apart from "other-direction". This finding can be linked to others about the attitudes both of Irish people in Ireland and of Irish-Americans [41]. Another study shows that Irish small business operators have tended at least till the last few years to see the "ideal", that is the successful businessman as in a number of ways a hard, individualistic character. He is likely too no doubt to be intelligent, cultured, hard-working, dependable, good at dealing with people, and by definition is likely to get on. But he is also seen as individualistic rather than co-operative, not too concerned for the community, intolerant, distrustful, worried and unhappy; nor is he over-endowed with sincerity, good nature, sociability, or readiness to adopt new ways, at least outside the sphere of business itself [42].

*Prima facie* one would expect traits like these to be shown rather strongly by men who had led the creation of new businesses, public or private, in Ireland down to the 1950s, for they suited the social and technical conditions of the time. It took a hard fight then to get enterprises off the ground in a country barely beginning to industrialise, and to lick into shape a work force without industrial experience. The early history of the Shannon hydro-electric scheme is a case in point. The early history of industrialisation in other countries—for instance Germany before the first World War, or Norway, or the United States—tells the same story. The situation over unemployment and emigration in the early years of industrialis-

ation in Ireland was such as to encourage any man who had got a job to hang on to it come what may, rather than to quit or otherwise challenge a humanly unsatisfying management style. The entrepreneurial job to be done at that time was not so much to innovate as to apply established technologies. It was to meet the established needs of a market suddenly cut off from its previous suppliers by protection, rather than to go out to the leading edge of world competition. These are tasks for which an authoritarian style and central direction can be highly effective. In the private sector there was in any case an overwhelming preponderance of small firms, well within the limit which can be effectively managed as the "vehicle of the master craftsman".

But those conditions belong to the past. Gorman and Molloy find a significant correlation between the date at which Irish enterprises were established and became set in their ways and their acceptance of less authoritarian, more open and participative styles of management. Enterprises started in the 'sixties and early 'seventies show relatively high acceptance of the new styles. The degree of acceptance is lower in those started in the previous generation, beginning in the 1920s, and lowest of all in those already set up by 1920. In this writer's own experience with industrial enquiries in Ireland a hinge date keeps recurring; give or take a year or two, 1958. This is the time when, as informants in other enquiries put it, the ice age melted. The economy opened out, people began to put their heads up and challenge established practices, hope of defeating unemployment and emigration began to seem real, and the inflow of new ideas about management as about other things began to turn into a flood.

As of 1971, Gorman and Molloy find a widespread acceptance among Irish managers of the need to manage on the lines of McGregor's Theory Y rather than his authoritarian Theory X; to draw out people's capacity and initiative rather than to assume that they must be driven to work. Irish managers tend still to have some reservations on delegation and the sharing of power, and Irish-owned organisations are rated lower on

this than foreign-owned. But the general climate has swung towards Theory Y, and on grounds of efficiency and not only of human relations. A correlation shows itself in the Gorman and Molloy study between acceptance of Theory Y and the actual business success of organisations. Conversely, effective organisation, long-range planning, and business success are seen, as by the entrepreneurs in the present study, as themselves important components in a good human climate within an enterprise. These new trends are particularly marked in enterprises which measure up to world standards of business success, as indicated by strong involvement in export markets, and in those whose business performance is such that they feel competition as stimulating but no more than moderate; neither fighting for their lives nor so sheltered from competition as to be under no pressure to move with the times. They are marked, in other words, in enterprises such as the successful entrepreneurs in the present study see themselves as trying to create [43].

In a well-remembered confrontation some years ago an American entrepreneur, Dick Brandon, and the chief executive of the Shannon Free Airport Development Company, Brendan O'Regan, debated alternative paths which entrepreneurs in Ireland might follow. O'Regan proposed an ethic of public service, Brandon the concept of the restless, competitive, aggressive entrepreneur, quick to see an opportunity, a high risk taker, operating in the world of venture capital where the chance of success might be one in a hundred, a salesman above all, always ready to sacrifice his private life to his job, something of a buccaneer, a man fighting for his own hand, from whom others might need the protection of State regulation [44].

So far as the present enquiry is concerned, the questions raised about the future in that debate must remain open. The public sector has not been covered in this enquiry at all. At least one or two of the private-sector entrepreneurs who have been included deviate from the general pattern towards the Brandon norm, and clearly more could do so in future. But as of this time, what the enquiry suggests is that the common

pattern among successful industrial entrepreneurs in the Irish private sector follows neither the Brandon nor the O'Regan line.

Their characteristics as regards readiness to take risks follow the pattern indicated by McClelland, not by Brandon. Nor are their views on leisure Brandon's. If there is one thing they are determined not to do, it is to sacrifice their private life permanently to the job. They have an interest in the community and nation which does not fit Brandon's model at all.

But equally as against O'Regan, they are recognisably private-sector, capitalistic, people for whom profit has a multiple and important significance, among other things as a strong personal incentive in the early stages of an enterprise. They are not at all averse to acquiring their slice of the equity. It is significant, as has been pointed out, that it is precisely certain informants in the co-operative movement, from a background where an ethic of public service has been normal, who in today's Irish context have learnt to think it right and in the public interest to stress the case for profit as a central consideration for any business; including also the case for strong personal monetary incentives. Overall, the entrepreneurs in this study conform to the pattern of a "nationalist elite", conscious *both* of what it takes to operate a market economy (including profit) *and* of national and local community needs; rather than to those of either a "socialist" elite as envisaged by O'Regan, or Brandon's rather extreme version of the "middle-class elite".

The myth of the mysterious Irish lives on like the leprechaun. An article by Andrew Greeley on *The Strange Case of the American Irish* [45] ends with a cry of woe:

How can the contrariness, the contradiction, and the paradoxes of Irish personality and behaviour be explained?

But when one looks at his actual results it appears that what he had found was simply that the American Irish, compared to other ethnic groups, tend for themselves to have strong moral convictions and a belief in Providence, but not to see

in this any reason to be rigid or authoritarian towards other people. This is certainly a distinctive pattern, but it is hard to see what is contrary or paradoxical about it. Barron and Egan reached rather similar findings about the value systems of Irish entrepreneurs in the 1960s, and added that strong religious beliefs correlate in Ireland with a high degree of business originality [46]. This too seemed paradoxical to the American members of the team, who noted that in the United States the relationship between religion and originality is usually the other way round. But, once again, though the difference between the two countries is interesting, the Irish pattern does not in itself seem any more paradoxical than the American. So again, the leisure habits of Irish managers differ from those of Americans; but so also, in the same direction though less strongly, do the leisure habits of the British [47]. The mix of qualities required for successful entrepreneurship in Ireland does differ from what might be expected in America, or Britain, or the USSR, and has itself changed over the years. But the differences and changes are logical and explicable in terms of factors generally applicable to all countries, such as the stage of development of each economy or the distinction between "nationalist" and other elites. They are variations around the common theme that McClelland's "N.Ach" and the behaviours associated with it are the foundation of successful entrepreneurship anywhere, including Ireland. With local variations, what McClelland establishes by research in many countries is what successful Irish entrepreneurs describe as their own experience. It is not surprising that the Irish Management Institute and the IDA have already found it possible to use international findings about entrepreneurship with success in their work of developing and training entrepreneurs in Ireland.

(2) *The economic and technical support system* (Section 1)

The entrepreneurs interviewed think well, from their own experience, of the economic and technical support system for new industrial enterprise in Ireland, as it applies to those who

have made up their minds to enter industrial entrepreneurship or are already engaged in it. The only support agency to attract markedly more criticism than praise is AnCO; and there, as has been shown, the criticism must be interpreted as teething troubles, arising before there has been time for AnCO's programmes to prove their full value. Informants do however point to certain gaps, some relatively small-scale, others of a more substantial kind.

(i) A number of informants perceive, with varying degrees of clarity, an "equity gap" in the financing of small firms which have made their initial take-off but are not yet strongly established. The problem as it emerged from these informants' comments is to secure for firms at this stage a more adequate supply of equity finance; reliable, that is not liable to panic intervention at the moments of stress and difficulty normal in an enterprise at this stage; and on terms which do not threaten the new owner-manager with loss of control over his enterprise. The finger seems to point, not at direct investment by banks and other large institutions, but at a more active intermediary role by the banks, to bring together business owners at this stage of development with investors of a kind acceptable to them, both from Ireland and from abroad; not least (we return to this in a moment) from among the Irish overseas. It does not follow that informants have necessarily perceived this problem correctly. But certainly they raise an issue which deserves further study by the banks and other financial institutions.

(ii) A number also perceive gaps in support for what might be called pre-enterprise or pre-production activities; for study tours by promising young managers and entrepreneurs, for feasibility studies, for technical contacts overseas by small entrepreneurs to whom time and air fares are expensive, for firms' own market research as apart from the more general work of CTT, and for market launches. These comments stand referred to IDA, CTT, or the National Science Council. OECD's *Review of National Science Policies—Ireland* has in 1973

made certain recommendations on study tours, which will be taken up again below [48].

(iii) Ways of involving Irish businessmen overseas in Irish industrial development need not be confined to encouraging investment by them in enterprises originating within Ireland. The enquiry turned up cases of men who have brought back their overseas experience, with or without capital accumulated overseas, specifically to help not merely the country but their own home town. The suggestion of one informant that a campaign to do this be directed to Irish contractors and others who have made a success of business in Britain deserves to be followed up. At the level of research, a useful preliminary would be a survey of what the achievement of Irishmen in business outside the country has in fact been. Informants' repeated comments to the effect that "I have never yet seen an unsuccessful Irishman abroad" may be exaggerated. But they raise an important issue which should be more fully documented.

(iv) There emerged by implication rather than by direct reference a case for existing large and technically advanced enterprises in Ireland to become more active than hitherto as midwives for new Irish-owned businesses or new products from existing ones; whether by way of contracts, of investment, or of managerial and technical aid. Some examples of this sort of aid turned up in the enquiry. But clearly there could be room for much more action, sometimes by large private-sector concerns, but also and particularly by public-sector bodies such as the Department of Posts and Telegraphs, RTE, or the Electricity Supply Board. In principle EEC rules discourage, and will in due course prohibit, the restriction of public contracts to local bidders. But there is reason to think that it will remain permissible to use such contracts to help in developing new enterprise in regions such as Ireland which are accepted to be in need of aid. The gains from a midwife relationship between existing and new enterprises do not run only in one direction. One of the writer's impressions from investigating

industrial relations in the ESB in 1968–69 was that the Board contains a great deal more talent than can be used directly in its own work. Engineers and managers referred as a high point in their career to the first years of rural electrification, when they were sent out on their own with a wider mandate and a freer hand than they could expect in their ordinary job. The spin-off of new enterprises can also, of course, create openings in the new enterprises themselves for engineers, scientists, and managers who would otherwise have to wait for slow and limited chances of promotion; to say nothing of the attraction of a slice of the equity. From the point of view of the larger public sector bodies' own dynamism and internal relationships, there is everything to be said for their taking on a wider development role. Examination of the case for action here is a matter partly for individual industries, departments, or semi-State bodies, but also—especially in the context of EEC—for the Government as a whole.

OECD's *Report on Review of National Science Policies—Ireland*, though, curiously, it does not take up the case for action of this kind by Irish Government departments and enterprises, does point out that foreign enterprises in Ireland too could be encouraged to purchase more of their supplies in Ireland and to help Irish industries by sub-contracting. That report's particular concern is not so much with encouraging the spin-off of individual new enterprises—though that is part of it—as with obtaining a more coherent, inter-linked, and mutually supporting pattern in Irish-based industry generally, whether Irish or foreign-owned; with ways to “weld a series of separate firms into a real industry” [49].

(v) The criticisms directed against AnCO appear, as has been said, to be largely of a short-term nature, arising out of the early stage at which AnCO's programmes stand, and do not necessarily have much relevance to these programmes as they will be in their fully developed form. They do, however, point to an issue which has been significant in starting these programmes, and could be when new development programmes

are started in other fields. It looks as if AnCO's initial action was spread too thinly. New development programmes need to be concentrated enough to make a full and convincing impact in the area where they operate, and so avoid arousing fears and expectations to which, with the resources available, justice cannot be done.

(3.) *Social responsibility, participation, and the role of the managing director* (Sections 2 and 3)

Informants tended, as has been seen, to share a common view of their role as business leaders. They feel a wide sense of responsibility for their local community, for Ireland, and for their employees, as well as towards their owners in the case of companies or members in the case of cooperatives. They express this by seeking to create buoyant, dynamic, and profitable enterprises, and see no contradiction between profitability and social responsibility in the competitive (often highly competitive) markets in which they are involved, indeed very much the contrary. They tend to aim for a participative style of management. Some are, in addition, actively engaged in the work of trade associations, public boards, or politics; but here there is a division of opinion. Some insist on the value of business leaders setting part of their time aside for these wider responsibilities; others say that their primary responsibility to the economy and country is to make a success of their own enterprises, and, at least at these enterprises' present stage of development, that this leaves too little time for major outside activities. All, in any case, take a strong line on the role of the business leader himself. By all means let him call forth participation. But he must also himself be prepared to give a forceful and, if necessary, ruthless lead. His role must be central and dynamic. He must assert his independence even against his Board.

All this would have constituted a major area for further investigation if it had been possible to carry the project further. There has been a tendency in company law and practice over many years, in both America and Europe, to underline the

role of the managing director or directors as a third, independent, organ of company government alongside the Board and the shareholders' meeting [50]. The chief executive, whether an individual or (as in Germany) an executive board, has been seen more and more clearly, not as the servant of the Board, but as having independent authority to lead in the development of company policy as well as in executing it. His Board must learn to respect his independent role and to clarify their own role accordingly. That is the significance of the move towards a formal division between a supervisory and an executive board which in the last few years has spread outwards from Germany, and is currently expressed in EEC proposals for the board of "European" companies, and, for application to all companies, in EEC's draft Directive 5 on company law. It does not seem, from informants' comments on the situation from which they have had to break out, that this distinction between the roles of a board and a chief executive is as yet generally enough understood in Ireland.

Looking at the role of chief, and other, executives not from above but from the underside, another major trend in all industrialised countries has been towards the collapse of traditional concepts of management prerogatives in industrial relations. Commenting on current trends in British collective bargaining, a joint CBI-TUC paper to OECD's Regional Joint Seminar on Prospects for Labour-Management Cooperation in the Enterprise (1972) said flatly that:

In many cases there is literally no limit to the range of questions which can be brought in to the procedure agreement, and which must be dealt with by discussions and negotiations between union officials and the representatives of management at the various levels.

One need only think of a case like that of Upper Clyde Shipbuilders to see what the authors of this paper mean. Anything, they are saying, may be put, not merely on the agenda, but on the agenda for *bargaining*. Right across the countries represented

at the seminar it appeared that the traditional distinction between bargaining and consultation is breaking down. Some meetings may be formally or, in fact, more consultative than others, but at the back of them, if they are to be realistic and effective, lies a bargaining, that is a power relation; and this is something of which managers as well as trade unionists increasingly see the point.

But what, in that case, of the necessary freedom of chief executives and their colleagues to lead in policy-making and to take executive decisions? Management prerogative today consists, not in a reserved list of functions which need no sanction, but in the right of management to a quick and clear sanction to act freely in the areas where trade unionists as well as managers agree that this is important. The problem is to re-write the works constitution so as to make room *both* for the trend towards participation based on power *and* for maintaining and developing the leadership role of top executives, on which informants in the present enquiry rightly lay such stress.

Social responsibility, finally, raises two very practical issues. The first is how to measure and judge it, the question of a "social audit", which has moved recently from the theoretical to practical level [51]. Business responsibility is, as informants in this enquiry made clear, understood differently and more widely in Ireland than in some of the larger industrial countries where an individual firm's impact on the community at large is less obvious. But it is still in some respects undefined; for example, as several informants either stressed or implied, over such things as financial operations, takeovers, or dominance by large institutions over small firms. Not all business leaders, in any case, are as aware of their responsibilities as some of those interviewed here. There is room for clarification, from the side both of business itself—the current interest of British directors and managers is largely in self-made and self-administered business codes—and of the government. And this clarification is needed in the interest not only of the public but of providing a clear sanction for action (the point of the last paragraph once again) for business men themselves.

In a small country like Ireland, with many industrial and public institutions to man from a limited supply of qualified people, there can also be a problem of overloading the willing few with more functions than they can handle without neglecting either these functions or their own main business. Informants, as has been seen, showed themselves well aware of this. There is sense in the case made by one of them for a thorough review of the machinery of government-industry relations and of trade associations to see whether more economic and effective use could not be made of the limited human resources available; or, of course, of what steps might be taken to enlarge these resources themselves. In certain areas, notably research and development, joint machinery in Ireland is already, by international standards, well planned to ensure that the units where the servicing of industry or agriculture is done are of viable size, and that scarce manpower is economically used [52]. The question raised by informants' comments, as in the comments quoted earlier by Tony O'Reilly, is whether this is sufficiently true of the management of Irish economic development as a whole.

#### *The cultural background*

But the major gap emphasised by informants themselves was in the area of general culture. Informants did not claim that the state of public knowledge and attitudes in Ireland, or any part of it, is such as to lead to active opposition to new industrial enterprise or to create jealousy or hostility against those who successfully launch it. The man who launches a new industry and provides new jobs in an Irish country town, let alone in one of the bigger established industrial centres, is likely to be in the happy position of a prophet who does have honour in his own country. As more than one informant commented, his countrymen may still be bemused as to how that particular individual from that particular family ever achieved so much.

But though the climate of opinion is not hostile, it does not emerge from these interviews as particularly encouraging.

Specifically, informants identify three main areas where action to create the right climate has fallen short.

(i) *Education for action in a changing and industrialised society: awareness of world standards* (Sections 3 and 4)

The general education of people in Ireland, whether in school, through the Church, through early work experience, or in the community at large, has not, informants insist, been such as to breed up people with a capacity and appetite for independent action, as apart from the role of a functionary under direction. Too few have acquired even the basic virtues of honesty and hard work. Too few are practical in the sense of people who have learnt how to learn, to go about identifying a new problem and assembling the elements for a workable solution, or to use their hands as well as their heads. Too few have acquired the double qualification of academic knowledge and familiarity with physical things and confidence in working with them. Too few have been made aware of world standards of achievement, with the result that too many are either brashly unaware of the short-comings of Irish standards of performance in certain areas, or else paralysed by lack of confidence in what they themselves and the country could achieve if they faced overseas competition with full understanding. Too few have been given a clear understanding of the practical possibilities of business enterprise and its relation and relevance to Irish cultural values.

Informants are not educational specialists; they state ends to be achieved, not educational ways and means. But what they are asking for falls into categories easily recognisable in terms of current educational debates. When for example they ask for a better combination of education by hand and brain, they are in effect saying that the style of academic education which was appropriate when it could be taken for granted that familiarity with handwork and physical achievement would be gained at home on the farm, or in the shop or craft workshop, is no longer sufficient in an industrialised society where, for most people, physical work activities have been

removed far from the home. Arensberg and Kimball's [53] picture of the physical work apprenticeship served, naturally and automatically, by the sons and daughters of traditional Western farmers in their home and community is no longer representative even of farming. As regards the son or daughter of a Dublin civil servant or factory worker it is totally remote from reality. Socialist countries, in China or Eastern Europe, have made a principle of fusing together education by hand and brain in preparation for life in a modern society. Without necessarily proposing that particular model, informants are raising here an issue recognisable to educationalists throughout the world.

When, again, informants ask for education for action, and especially for independent action, they point directly to certain areas of development in educational thinking. Education for achievement in McClelland's sense, to develop the qualities which will lead a man or woman to seek out new problems and organise their solution, not merely to follow custom and practice or a superior's directions, is as has been said already beginning to be built into the practice of management education, among others by the Irish Management Institute. John Raven and others at The Economic and Social Research Institute have been concerned with ways and means of building it into general education at the level of schools and colleges. Raven's study on the attitudes of Irish teachers [54] confirms that the entrepreneurs interviewed have put their finger on an area of real confusion in Irish education, as regards both education for action and the relevance to the brighter as well as the less bright pupils of education by hand as well as brain.

This is, of course, not only a question for Ireland. The writer has reason to think, from his own experience in management education in Britain, that there is a problem here for British managers as well, and that this problem goes back to features in British education and British society generally which have tended to produce a "reactive" rather than a "motivated" society.

In another context the writer has traced the necessary shift

in a swiftly changing society from fixed rules of conduct, which can be defined and enforced by the authority of the Church and the community, to a more flexible approach which throws on individuals and social groups the responsibility for defining the problems facing them and the rules of conduct applicable to them. They will, no doubt, need advice and guidance from the Church and social institutions, and an ultimate point of reference in a limited number of fixed and permanent principles. But, within very wide limits, the initiative and the authority to decide on rules of conduct and their application must lie with those individuals and groups in actual contact with each situation. The writer has summarised elsewhere the implications which are being, and need to be, drawn from this in management education. Others have been concerned with the same issue as it applies to the school curriculum [55].

When, finally, informants speak of the need for awareness of world standards, the point will be obvious to anyone who has followed, for example, the development of social science in Ireland over the last two decades. It cannot be said that the younger generation of Irish economists, psychologists, or sociologists are unfamiliar with world standards in their fields or fall short of them. But it is well within the writer's memory when, with one or two conspicuous individual exceptions, this was not so. It may be that informants under-estimate the rate of progress in this direction in the fields with which they are concerned. But if they state from practical experience that they still see a problem, their comment deserves to be taken seriously.

One of the most practically useful points in this report is the proposal that the State should set up a deliberate and subsidised programme of study tours abroad for experienced executives and technical staff: and, generally, should pay more attention to the "gatekeeper" function in promoting the flow of overseas contacts and experience. OECD's report on *National Science Policies—Ireland* links a plan of this sort to proposals for the universities to do more to encourage an entrepreneurial attitude in their students:

A scheme based on a university-IDA joint effort might be contemplated along the following lines:

- (i) A screening process would guide the most promising undergraduates towards an "entrepreneurial course". These students would be attracted into the course by means of sizeable grants or by endowing it with considerable prestige.
- (ii) The curriculum would deal with such entrepreneurial subjects as marketing, accounting, management, and the like.
- (iii) At the end of the course, a travel grant would be awarded so that each graduate could personally investigate possible openings for products on foreign markets, in close liaison with the Irish Export Board (CTT).
- (iv) After thus surveying the field, the future entrepreneur would be put on the payroll of the IDA and would develop the technical side of his product, investigate the equipment needed for its manufacture, and work out the financing programme with the IDA. A business could then be started up [56].

Informants in the present enquiry differ from these proposals in certain important details. The point made by at least some of them was about the need to give an entrepreneurial slant to courses in many fields, not necessarily to steer students into a specialised entrepreneurial course. They were also concerned as much with people already in business and management as with students, and not necessarily with graduates alone. But on a broader view the coincidence of thinking between the OECD report and the present enquiry is close.

On the specific point of education for action at school and

college level, informants thinking runs so close to what has emerged in some British discussions, centred on the proposals of the James Committee on *Teacher Education and Training* [57] and of the White Paper on *Education—a Framework for Expansion* [58], that it seemed worthwhile to include as an Appendix a practical example of the direction which some polytechnic teachers in Britain think that the new general Diploma courses now proposed for British higher education should take.

(ii) *Awareness of the social value and practical possibilities of industrial enterprise* (Sections 1, 2 and 3). The gospel of industrial enterprise has still, as informants rightly insist, to be preached to the unconverted. It has not reached enough of the people in distribution, services, and other long-established Irish business activities who could well have both the capacity and the resources to take an industrial initiative. It is much less true of Ireland than of other countries with higher ratios of employees to self-employed that to quote a recent American report, "knowledge about self-employment in this country is a quite well-kept secret" [59]. The farm, the shop, the pub, the professional practice, are part of the family if not the personal background of a higher proportion of people in Ireland than in other developed countries. But there is less familiarity in Ireland than, for example, in parts of London or in the West Midlands of Britain with *industrial* self-employment and the founding of new industrial enterprises. Informants are right to stress that there has not been enough doorstep work "going round the country on a bicycle", to reach those hitherto inert, as apart from waiting for those who themselves make the first move.

Nor has the meaning of enterprise been got over strongly enough to the general population especially through the schools. The schools have not done enough to make girls and boys aware of the opportunities of entrepreneurial action, the practical ways of seizing them, or the rewards which can follow. In particular, the message that the life and career of a successful entrepreneur is a good one from the point of view of social

responsibility and of work satisfaction, as well as of income and wealth, has not been transmitted. Nor has a true understanding of the nature and social significance of profit.

(iii) *Multiplying initiative by many agencies* (Section 1). Nor, finally, has enough been done to multiply the preachers of the gospel and the searchers for new enterprises, and to build a network of local initiative and co-operation in support of it, by more effectively involving local agencies—not always or necessarily local authorities—in IDA's drive for new industry on the lines indicated in Section 1. The question of a more organised effort to encourage large established firms to help to launch new independent Irish industrial enterprises is again relevant here.

This is not simply a matter of business efficiency. It also concerns the health and capacity for participation and self-management of local communities as such. The informant who argued that stronger encouragement of local initiatives could be a major means, not merely of increasing the amount of new enterprise, but of bringing new life and dynamism to local government and to local communities themselves, made a valid and most important point.

The accent laid by informants on these general social or cultural deficiencies, as apart from questions about the economic and technical support system or about management, is as has been stressed the most important finding of this report. The range of agencies from which action to correct these deficiencies is called for is very wide; families, schools and colleges, employers, agencies such as IDA, and the State and the Church themselves. But so also is likely to be the impact of successful programmes to correct them. To repeat the point made at the end of the last section, what informants explicitly or by implication are calling for is not some culturally valueless or even damaging training of a narrowly technological kind. Their criticism is that Irish culture is defective as a seed-bed for enterprise in that it fails to generate among Irish people

enough of certain human qualities which have general value, or to release widespread enough initiative. The action to which they point as needed to create a better climate for enterprise is action to raise the general civic and personal capacity of the Irish people and to widen their opportunity to use it. And the attractive and responsible pattern of living and working which entrepreneurs, judging by these interviews, tend to create for themselves is itself a positive contribution towards doing this.

## Appendix

EXTRACT from the report of a working party at the North-East London Polytechnic, *Diploma of Higher Education—a Proposal*, October 1972.

8. On this basis, and on the basis of an appraisal of the destination of many such people in the past, we identify the following major career areas:

- (a) business and public administration
- (b) teaching
- (c) social work
- (d) communications

The Dip HE is not intended to provide an adequate terminal qualification for entry to any career in these fields, nor are these fields the only ones for which Dip HE would provide an adequate general education. It is hoped that the programme will make a significant contribution to the provision of highly skilled recruits for employment in North-East London.

### 9. *Objectives*

The student's objectives in the programme are conceived as those of a general education defined in terms of skills relevant to the ultimate vocational objectives. The working party attaches great significance to the choice of this approach to the definition of general education rather than the more conventional one, followed by the James Committee, of definition in terms of subject knowledge. It recognises that programmes based on either definition will have much in common but believes that the distinction is an important one of principle. In particular it means that the student's successful completion of the Dip HE will depend upon tests of what he can do rather than tests of what he knows. The justification of this approach is the observation that criteria of skill rather than those of

knowledge are the most appropriate in the selection of candidates for employment or further education and training in the fields with which we are mainly concerned.

10. This approach depends on the validity of an assumption that there is a wide range of skills that can be defined and assessed which constitute a common base for the employment and/or further education and training we have postulated for Dip HE students. We believe that this is so and that these basic skills are common to all forms of academic and professional work. Our problem then becomes the definition of these skills and the means whereby students with a wide range of background and interest may acquire them.

11. We define these skills tentatively as follows:

- (a) the ability to develop alternative ideas about a situation
- (b) the ability to formulate objectives and to do so in terms of the means for achieving them
- (c) the ability to relate this thinking to established bodies of thought and knowledge and thereby to make use of these
- (d) the ability to identify within a situation personal problems of value judgement and decision
- (e) the ability to work in association and collaboration with other people; associated skills of communication and social relationships including—
- (f) the search, selection and use of written, graphical and oral material
- (g) the techniques of creating and organising such material, including the skills of writing and speaking with purpose in a variety of situations
- (h) the formal and informal conduct of group activity in committees, seminars and work teams
- (i) the use of mathematical and other formal aids to thought and analysis
- (j) certain rote and mechanical skills

It will be necessary for the student to develop the co-ordinated use of these skills in planning and taking effective action in situations with which he is confronted.

12. The working party acknowledged possible objections to, and difficulties in, this form of definition of objectives. In particular it recognises that these general skills can be practised and demonstrated only in specific fields and activities and that this practice and demonstration may be trivial if the student's experience of the specific field is superficial. However, the working party is firmly of the opinion that, in practice, the modern world rightly judges the general educational achievement of a man or woman by such skills, adaptable to many different activities, rather than by the more conventional criteria of general knowledge of a range of subjects and information.

Hitherto these skills have been generally regarded as the by-product of an academic education in subjects. In our conception these skills become the primary objectives. The study of academic subjects is conceived along with other student activities in the programme as a means or a vehicle for their achievement; knowledge of a subject is not a necessary objective in itself.

For the student these generalised skills are not ends in themselves but the means to subsequent ends in education, training, career and a subsequent life outside the academic environment. An essential objective of the Dip HE programme must therefore be to assist the student in formulating his subsequent objectives and preparing himself for their achievement. To the skills listed we must therefore add to the objectives of the programme the formulation and cultivation of the student's academic and career interests and the development of a sense of purpose so that on completion of the programme the student has a clear idea of his next step and a well-founded confidence to take it.

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