

AUSTRALIA'S EARLY MANAGERS

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Abstract

The origins of managers and management have been studied comprehensively in Great Britain, Europe and the United States of America, but not in Australia. Most scholars have looked at Australia's history in the twentieth century to inform the literature on the modern enterprise, big business and management, but the role of the manager or agent was established in many businesses by the 1830s. There were salaried managers in Australia as early as 1799, appointed to oversee farms. The appointment of managers in Australia from as early as 1799 continued the practice of British institutions in some industries. But in other contexts, management practice departed from British practice, demonstrating largely adaptive, rather than repetitive features.

As the wool industry dominated the economy, the range of industries grew and managers or agents were appointed to businesses such as public companies, which were formed from at least 1824. During the 1830s, there were managers of theatres, hotels, merchant houses, and in whaling, cattle, sheep, shipping and banking activities.

As banking expanded during the 1830s and 1840s, so did the number of managers. Bank managers were appointed both with the entry of new banks and with branch expansion. As banks expanded their branch network, the number of managers increased. The establishment of branches continued another British institution in the colonial context and further reinforced the manager's role.

The rise of the salaried manager in Australia was harnessed to the rise of the public company and began as early as the 1840s but was more evident during the second half of the nineteenth century, when public companies grew bigger and prominent in strategically important industries such as grazing, sugar, water, engineering, electricity, banking, insurance and shipping, river and stage coach transport. But managers were also evident in a wider range of industries such as merchant stores, clothing, vineyards, nurseries, newspapers and brewing.

During the nineteenth century, British and local influences dominated but as wider international industry networks developed, some American influences emerged, notably in the mining industry. Thus the institutions and structures necessary for the rise of management and big business in the twentieth century were established during the nineteenth century.

Introduction

This paper canvasses the predominant historical research that has informed the Australian history of business and management and argues that the role of the manager and management practice began in the eighteenth century as a consequence of British colonisation and developed during the nineteenth century. Colonisation diffused British institutions such as companies, branch structures,

¹ This paper has been prepared for the Australia Pacific Economic and Business History Conference at Wellington, New Zealand in February 2010. I would like to acknowledge and thank the Bruce McComish Fund for its assistance in sponsoring attendance at the conference to present the paper. It is drawn from my draft dissertation *The Management Rush: A History of Management in Australia* and is a substantially modified version of a paper entitled *Australia's Early Managers* presented at the Management History Research Group Conference held at the York University in July 2009.

financial and banking systems which were important influences in the rise of the salaried manager and the development of management practice. But managers were appointed in various businesses in the early decades of the colony prior to the formation of public companies² that operated in Australia. Managers were appointed to the colony's strategically important industries, they were also appointed to an array of small businesses. The Australian context was substantially different to rural and urban Great Britain and the role and practice of managers developed largely in response to the many differences.

The paper initially outlines the predominant research that has tended to reflect a view of Australian management being derived largely from American influences in the twentieth century or as a case study within a Chandlerian framework. It then re-visits the pre-industrial origins of management researched by Pollard to demonstrate the diffusion of British institutions and pre-industrial management practice to colonial Australia.

A number of Australia's first and early managers are identified, describing their businesses, industries and practices in the prevailing economic conditions along with the early trends in the development of management practice. The role of the manager in the public company is emphasised but the other contexts where managers were appointed are also highlighted. It outlines the factors that produced increases in the number of managers and established the salaried manager as an institution in a range of industries. The case of Edward Knox is then used to illustrate various aspects of management practice and demonstrate the path from manager to owner and director.

The theme of the rise of the salaried manager with the public company during the second half of the nineteenth century is developed, noting particularly increases in the size and structure of public companies and some changes in the use of business services such as advertising, accounting and auditing.

The paper concludes that the institutions and structures necessary for the rise of management and big business in the twentieth century were established during the nineteenth century.

The Research Context of Australian Management History

During the past fifty years, Australian historians have excelled at producing histories of Australian society. These have expounded social, economic and political dimensions and delved into more specific areas such as migration, labour relations, indigenous relations, etc. At the present time economic and general histories abound³ and a number of histories of companies,⁴ industries,⁵ trade

² Public companies or publicly listed companies are owned by shareholders as distinct from publicly owned companies which are owned by government.

³ See, for example, Hancock 1930, *Australia*; S. Butlin 1953, *Foundations of the Australian Monetary System, 1788-1851*; Clark 1962-1987, *A History of Australia*; N. Butlin 1964, *Investment in Australian Economic Development*; Ward 1965, *The Australian Legend*; Blainey 1996, *The Tyranny of Distance*; Blainey 1995, *A Land Half Won*; S. Butlin 1986, *The Australian Monetary System, 1851-1914*; Blainey 1997, *A Shorter History of Australia*; McIntyre 1999, *A Concise History of Australia*.

⁴ Blainey 1976, *The Politics of Big Business: A History* listed a number of company histories including his own - *The Peaks of Lyell, Johns and Waygood Limited 1856-1956*, *Gold and Paper: a history of the National Bank of Australasia*, *Mines in the Spinifex: the Story of Mount Isa Mines*. He also cited Butlin, S. *Australia and New Zealand Bank: the Bank of Australasia and the Union Bank of Australia Limited, 1828-1951*, and refers researchers to the *Australian Economic History Review* for others. Inglis wrote a history of the Australian Broadcasting Commission, Inglis 1983, *This is the ABC*. Pragnell wrote a history of the Sydney retailer David Jones, Pragnell 2001, *Selling Consent*.

⁵ See, for example, Butlin, S 1953, 1986, for the banking and finance industries; Blainey 1993, *The Rush That Never Ended*, for the mining industry; Wright 2000, 'From Shop Floor to Boardroom', for the management consulting industry; Ville 2000, *The Rural Entrepreneurs*, for the pastoral industry and Crawford 2008, *But Wait ... There's more: a history of Australian advertising*, for the advertising industry.

unions⁶ and professions⁷ have been documented. The spectrum of interpretations and detail has widened considerably but not so far as to include a history of business or a history of management within Australia.

The first significant articulation of management in the Australian context was Byrt and Masters' *The Australian Manager* published in 1974.⁸ It recognised the growing role of managers in Australian business and noted their relevance to both institutional and technical aspects of organisations. Byrt and Masters also discussed systems theory, human resource management, industrial relations and manager education, including domestic and overseas theory, research and examples.

Blainey articulated the themes of the rise of the public company and big business. He coupled the rise of the salaried manager to the rise of the public company during the twentieth century, heralding that historians would single out the rise of the professional manager as one of the significant events of the twentieth century.⁹ Noting important differences in the nature of public companies between the nineteenth centuries, he also perceived patent differences between the salaried manager of the nineteenth century and the professional manager of the twentieth century but affirmed the longstanding role of the secretary or manager in the public company.

Much of the research prior to 1995 tended to portray the rise of management in Australia as the adoption of American management ideas throughout the twentieth century. During the 1980s a number of researchers focused on the application of scientific management in Australian workplaces including Littler, Nyland and Dunford.¹⁰ Other researchers have studied levels of foreign investment or the rise of multi-national companies while some authors have commented on the application of overseas management ideas such as industrial psychology, human relations, systems theory, strategic management to Australian businesses.¹¹

During the last fifteen years, a few researchers have examined Australian business and industries in some detail to supplement ongoing interest in broader socio-economic and political conditions. In 1995, Wright published a history of Australian employers, demonstrating the practices used by businesses, predominantly during the twentieth century.¹² While written within the labour studies tradition of the University of Sydney, it provided a necessary counterbalance to the mountain of research into trade unions and industrial relations. He supplemented this with a history of the management consulting industry in Australia.¹³ Ville and the collaboration of Boyce and Ville similarly redressed the preponderance of macro-economic research focusing on the development of Australian businesses and industries, showing the interplay between business and management

⁶ See, for example, Sutcliffe, 1967, *A History of Trade Unionism in Australia*.

⁷ See, for example, Carnegie 2009, 'The Development of Accounting, Education, and Literature in Australia, 1788-2005', *Australian Economic History Review*, Vol. 49, No. 3, pp 276-301.

⁸ Byrt, W. and Masters, P. 1974, *The Australian Manager*, Macmillan, Melbourne.

⁹ Blainey 1976, *The Politics of Big Business: A History*. Blainey appears to use the phrases 'career manager' and 'professional manager' interchangeably rather than implying a 'profession' of managers, though this may be inferred.

¹⁰ Littler 1982, *The Development of the Labour Process in Capitalist Societies*; Nyland 1987, *Reduced Worktime and the Management of Production*; Nyland 1987, "Scientific Management and Planning"; Dunford 1988, "Scientific Management in Australia: A Discussion Paper".

¹¹ See for example, Mitchell 1998, *Management Discourse and Practice in Australia*.

¹² Wright, C. 1995, *The Management of Labour: A History of Australian Employers*, Oxford University Press, Melbourne.

¹³ Wright, C. 2000, 'From Shop Floor to Boardroom: The Historical Evolution of Australian Management Consulting, 1940s to 1980s', *Business History*, Jan 2000 volume 42 issue 1 pp 85-106.

theories and various case studies.¹⁴ In 2004 Fleming, Merrett and Ville reported their considerable study of big business and corporate leadership in the twentieth century. While they examined Australia as a case study within a Chandlerian framework, they also teased out many features and factors affecting the longevity of Australian big business.¹⁵ These both consolidated prior research and provided substantial theoretical frameworks for understanding the development of big business and management in Australia.

The literature pertaining to management history in Australia is scant compared to other fields (such as economic history, industrial relations, labour relations, sociology, cultural studies, corporate strategy or human resource management).¹⁶ Writers such as Lansbury and Spillane placed Australian management practice within an historical context, but only to a limited extent.¹⁷ Byrt edited a comparative history of management education, writing the chapter on the development of the Australian context.¹⁸ Dunphy and Stace similarly used a historical context to present their organisation change research and theory.¹⁹ There have also been projects of varying size, examining the history of marketing in Australia and the human resource movement.²⁰ The flagship management journal in Australia is the *Australian Journal of Management* first published in 1976 by the AGSM. It is yet to publish an article recounting the history of management in Australia and has published only a handful of articles with historical material.²¹ *Australian Economic History Review* is a far richer source of material as it regularly publishes articles regarding Australian business and industries which inform the history of management.²² But it, too, is yet to publish an article recounting the history of management in Australia.

Chandler and Pollard

The Rise of the Modern Enterprise

Business and management history both in Australia and elsewhere has been considerably informed by overseas scholars, particularly Alfred Chander. The rise of the salaried manager in the United States of America began with industrialisation but occurred in conjunction with the rise of the

¹⁴ Ville 1998, 'Business Development in Early Australia'; Ville 2000, *The Rural Entrepreneurs*; Boyce and Ville 2002, *The Development of Modern Business*.

¹⁵ Fleming, Merrett and Ville 2004, *The Big End of Town*.

¹⁶ Fleming, Merrett and Ville 2004, noted a similar situation regarding the related subject of big business in Australia, commenting that economic historiography has mainly focused on the broad macroeconomic changes in the economy and the role of government in those changes, Fleming, Merrett and Ville 2004, *The Big End of Town*.

¹⁷ Byrt and Masters 1974, *The Australian Manager*; Lansbury and Spillane 1983, *Organisational Behaviour*.

¹⁸ Byrt, W. (ed.) 1989, *Management Education: An International Survey*, Routledge, London.

¹⁹ Dunphy and Stace 1990, *Under New Management*.

²⁰ For a very brief outline of the history of marketing in Australia, see Roberts and Styles 2001, 'Australia's Competitive Advantage'; and for the human resource management movement, see Dunphy 1987, 'The Historical Development of Human resource Management in Australia'.

²¹ A search of the electronic journal on 28/11/2009 using the keywords 'management' and 'history' resulted in five records, two of which were book reviews.

²² *Australian Economic Review* is a journal for economic, business and management historians. It has a broader range of concerns than management, but publishes more management history than most management journals.

modern enterprise or big business. Arguably these two events resulted in the supremacy of the United States as an economic power during the twentieth century.²³

The rise of the modern enterprise spawned the systematic management and scientific management movements. Frederick Winslow Taylor's influence on management rhetoric was profound. There were many contributors to the Scientific Management movement, but Frederick Taylor was its voice - controversial, confronting, insistent and dogmatic. While the scientific management movement sought to increase business productivity through efficiency, its language was instrumental not only in producing change in work practices but also selling itself as a new approach, a systematic approach to solving work problems.²⁴

But there was more than one management revolution in the USA. The USA embraced heavy industry to supply textiles to its burgeoning population during the nineteenth century. It had ample supply of cheap labour but, unlike Great Britain, moved to a system of reward based on performance and productivity, the piece rate. Of all the changes that the scientific management movement introduced, the piece rate was probably the simplest and by far the most effective.²⁵ The growth of manufacturing in the USA not only acted to reduce the demand for imported goods but also provided a platform for a growing economy and the language of management. The capability of American industry to take new technologies and turn them into commercial success became particularly evident during the second half of the nineteenth century.²⁶

According to Chandler, management arose in the United States of America as a by-product of the modern enterprise (or big business). The modern 'managerial' enterprise emerged because of increased scope and scale of businesses. The expanding population in the USA, combined with the capacity to geographically distribute goods via the railways enabled firms to grow larger and abandon traditional reliance on other firms. Big business in the USA was privately owned and funded. The rise of the modern enterprise spawned the scientific management and the foundation of the first business schools during the late nineteenth century.

The Genesis of Modern Management

Pollard (1965) investigated the origins and development of management practice prior to and during the Industrial Revolution, a considerably earlier period compared to Chandler.²⁷ He argued the relevance of military organisations in controlling large numbers of men, government departments in administering large properties, and trade corporations in the development of accounting practices. He also traced the possible sources of industrial management practice to agricultural estate bailiffs, merchants, operators of larger enterprises and the domestic system of production, examining industries including agriculture, mining, silk-throwing and cotton-spinning. In so doing, he extended the study of management practice in Great Britain before the Industrial Revolution.

The earliest complex enterprises in Great Britain were agricultural estates. The ownership of land conferred social status and the number of acres owned by a man determined his standing in the community. An owner with more than 3,000 acres would probably represent the community in

²³ Chandler 1977, *The Visible Hand*. The World Wars were also important in America's rise. The wars constrained Great Britain and Europe, while America's entry into the conflicts played a significant role in determining their outcome and then opportunities for post-war re-construction.

²⁴ The forcefulness of Taylor's rhetoric was most evident in his testimony to Congressional hearings.

²⁵ Littler 1982, *The Development of the Labour Process in Capitalist Societies*.

²⁶ Pollard 1989, *Britain's Prime and Britain's Decline*; Chandler 1966, *Strategy and structure*.

²⁷ Pollard, S. 1965 *The Genesis of Modern Management: a study of the industrial revolution in Great Britain*, Edward Arnold, London.

Parliament, while a freeholder with less than 300 acres would act as a justice of the peace. Between those categories was a member of the gentry holding between 300 and 3,000 acres. Land ownership conveyed official and legal duties as well as responsibilities for the well-being of the community as a whole.²⁸

Sometimes owners appointed estate agents and bailiffs to manage their agricultural estates. In this rural context, the convention was to appoint an agent or bailiff, rather than a manager. Their duties included drawing up leases, collecting rents, supervising the home farm, keeping the estate accounts, payment of staff and sometimes supervising the household.²⁹ Accounting, financial, credit and legal practices developed in this context as owners and managers maintained and expanded agricultural activities.

Some merchants operated concerns with substantial dimensions, employing hundreds to thousands of people as loom operators, weavers, or silk-throwers in their domestic workshops during the eighteenth century. In the process, they administered large inventories and finished goods, through the putting-out system. Operations on this scale were evident at a number of locations and the problems of organising these operations gave impetus to the appointment of agents and managers.³⁰

Prior to the Industrial Revolution, goods and services were produced through a combination of skilled labour and raw materials with relatively simple technology. In some cases, manpower was supplemented by horsepower or the use of other animals. In the manufacture of woollen, cotton and flax goods, artisans, crafts and guilds had been the sources of production for centuries.³¹ But there were some notable exceptions. As early as 1721, the large Lombe's silk mill was built in Derby at a cost of £29,000. By the 1760s concentrated production in workshops was a feature in some industries, such as silk-throwing, calico printing, paper-making, coach-building and the Sheffield steel trades.³² But the general practice for much of the eighteenth century was a domestic form of organisation with merchants playing the role of organisers and financiers. Factories emerged in greater numbers after the 1770s.

Company formation and the activities of Empire are also important sources of influence in the development of early management practice. Throughout the seventeenth century, Britain imported commodities such as tea, coffee, sugar, tobacco, salt, pepper and other spices from countries including its colonies, thus developing larger scale consumer markets.³³ The East India Company was the importer, having been granted exclusive trading rights in September 1600 by Queen Elizabeth I.³⁴ Other companies such as the Company of Royal Adventurers into Africa (1660s), the Hudson Bay Company (1670), the Company of Scotland Trading to Africa and the Indies (1695) and the South Sea Company (1710) followed the trail of Empire.³⁵ These, along with their international counterparts such as the Dutch East India Company, were early global traders that developed banking, accounting, financial, credit, and legal practices. They also contributed to the development of economic institutions, instruments and systems. Prominent amongst these were the

²⁸ Thirsk 1989, *The Agrarian History of England and Wales, Volume VI* p 545.

²⁹ Pollard 1965, *op. cit.* p 27.

³⁰ Pollard 1965, *op. cit.* pp 30-32; For a broader discussion of organisational challenges, see Wilson 1995, *British business history* pp 23-31. Wilson offers more to the period from 1780 onwards.

³¹ Wells 1951, *The Outline of History*; Hobsbawn 1968, *Industry and Empire*.

³² Wilson 1995, *op. cit.* p 23.

³³ Fergusson 2004, *Empire* pp 12-24.

³⁴ *Ibid.* p 18.

³⁵ *Ibid.* p 20.

joint stock company, the stock market, the bond market, credit instruments, currency exchange mechanisms and the insurance policy.³⁶

The Industrial Revolution of the late seventeenth century germinated a 'machine-centric' paradigm: the combination of heavy machinery procured by capital, with raw materials and labour. In the history of management, it stands as a foundation stone. Through the Industrial Revolution in Great Britain the salaried manager rose to prominence and the first writing and teaching of management occurred.

The cotton industry led the revolution. Output increased considerably in the 1760s following the invention of various mechanical devices. With increased use of machinery came greater numbers of cotton factories or mills which, in the 1780s, installed the first steam pumping-engines. Other textiles followed the path of mechanisation and factories (wool, silk, flax) as did other industries (coal, rail, shipping).

The use of machines in textiles manufacturing gave rise to the factory and the roles of owners and managers changed significantly. The owners of factories employed managers with specialised knowledge, particularly of machinery, but also the related production processes. Systems of labour recruitment and training, inventory, accounting and distribution were integral parts of this new production paradigm, referred to in this dissertation as the modern management paradigm. The mechanical revolution signalled the end of the age of manpower and the decline of the horse as worker, while the Industrial Revolution heralded the age of mass production. The rise of the manager occurred within the context of the factory and what the manager did became known as management.

Pollard argued that management rose in Great Britain during the Industrial Revolution, primarily through the textiles industry in Manchester and Bradford, but also through machinery foundries such as Boulton and Watt. Australia's pastoral industry grew markedly as it produced wool for the mills of northern England and, as a consequence, Australia's textile manufacturing industry remained very small, curtailing possible development of management in that context. The Industrial Revolution produced the rise of the manager in Great Britain as factory-based mass production increased.

The Australian Colony

The conditions that produced and fostered the emergence of management in Great Britain and the USA were not replicated in Australia, either at the time or subsequently. In the early nineteenth century, Australia developed as a fledgling colonial economy largely dependent upon Great Britain. A resource economy developed and manufacturing industry lagged behind Great Britain, Europe and the United States. Australia's early managers were in its strategically important industries and drew from British traditions such as farming, public companies, shops and small businesses. Population was considerably less than Great Britain and concentrated in coastal cities and towns. Trade unions grew popular and powerful, and the role of government was prominent in economic development, funding the growth of the railways to become the largest employers. Australian railways were not run strictly along commercial lines as they were prone to political influence. They were also constructed to link inland wool cities to the coastal ports and provided limited infrastructure for servicing the major cities of the domestic economy.

The diffusion of managers and management in Australia were a minor part of the expansion of the British Empire during the seventeenth, eighteenth and nineteenth centuries. Like previous empires, the British Empire was built on conquest and subjugation by various means including force. It was

³⁶ Fergusson 2009, *The Ascent of Money*.

primarily a vehicle for economic and cultural exchange. When the British governed a country, it imposed its institutions upon the host society. The most important of these were the English language, English forms of land tenure, Scottish and English banking, the common law, Protestantism, team sports, the limited or 'night watchman' state, representative assemblies, and the idea of liberty. These in turn impacted on commodity, labour and capital markets, culture, government and warfare.³⁷

Well before the British contemplated Australia as a prospective colony, they had colonised the Caribbean, the Americas, Africa and India, forming trade and migration networks. By the time the British established the colony at Port Jackson, the methods of drawing colonies within the British military and economic empire were well rehearsed.

Australia's First Managers

Farming and Grazing

Australia's first managers were probably in farming and grazing contexts, where owners often employed a 'manager' to oversee a farm and its operations. Perhaps the first manager in the colony was William Faithful, a soldier and settler who arrived in the colony in February 1792 under the command of Captain Foveaux. On discharge from the army in 1799, Faithful was employed by Foveaux in the management of his farms, and received part of Foveaux's flock when Foveaux left the colony in 1801. He prospered as a grazier and became prominent in the Richmond district, where he died and was buried in April 1847, aged 73.³⁸

Another early farm manager was Joseph Holt (1756 - 1826), an Irish rebel and farmer who sailed to exile in 1799 and arrived in January 1800. He accepted the management of Brush Farm³⁹ at Dundas, near Sydney, from Captain William Cox. According to the *Australian Dictionary of Biography*:

"He was a useful manager for Cox and by 1809 was himself the owner of 210 acres (85 ha), on which he grazed 400 sheep and 50 cattle."⁴⁰

In 1809, he secured a free pardon and returned to Ireland in 1812.

In March 1803, *The Sydney Gazette and New South Wales Advertiser* published an article relating to farm management. In an extract from 'The Report of the Society for bettering the Condition, and increasing the Comforts of the Poor', the Reverend Dr Glasse advocated hand sowing of wheat based on the results of a field trial,

"the land in no other respect differing, either in quality, or management, from the adjoining land". *The Sydney Gazette and New South Wales Advertiser*, 12 March 1803, Vol 1, No 2.⁴¹

³⁷ Ferguson 2004, *Empire*, p xxiii-xxv.

³⁸ Parsons, V. 2006, 'Faithful, William (1774 - 1847)', *Australian Dictionary of Biography*, Online Edition. The claim to Australia's first manager remains open as the first fleet transported farm animals who were tended on board and then set to graze in New South Wales. The initial assignments of convicts may also have been spoken of as management, see Keneally 2005 *The Commonwealth of Thieves* pp 64, 138-140.

³⁹ Brush Farm house still stands though its lands form part of the Sydney suburb of Eastwood. The grounds adjacent to the house form the NSW Corrective Services Academy.

⁴⁰ Bolton 1966, 'Holt, Joseph (1756 - 1826)'.

⁴¹ *The Sydney Gazette and New South Wales Advertiser*, Vol 1 No 2, <http://nla.gov.au/nla.news-page5657> Accessed 23/04/2009.

It provided an early example of farm management discourse.

An early factory manager was George Mealmaker (1768 – 1808), a Scottish political transportee who arrived in Sydney in November 1800. In August 1803, Governor King appointed him as manager of the Female Factory, a weaving business in Parramatta, for four years. King was well pleased with Mealmaker's management of the factory and granted him a conditional pardon and generous emoluments. However, Mealmaker died in March 1808, apparently destitute and a drunkard.⁴²

The Macquarie Encyclopaedia listed Edward Lord as having a *manager* of his estates in 1820.⁴³ It also cited Governor Darling (1825-1831) as stating that squatters should manage their properties instead of living in Sydney and letting *managers* run them.⁴⁴ Robert Dawson was appointed to the post of *Chief Agent* in the Australian Agricultural Company in 1824. His management of stock in the Port Stephens area drew the praise of James Macarthur.⁴⁵ Similarly, William Parry came to New South Wales as *Commissioner* in charge of the enterprises of the Australian Agricultural Company in December 1829.⁴⁶ Edward Curr, a store owner in Hobart Town, was appointed as the *Chief Agent* of the Van Diemen's Land Company in 1825.⁴⁷

The artist John Glover arrived in Launceston in February 1831 and travelled to Hobart Town. He bought a property at Tea-Tree Brush (about 18 miles from Hobart Town) and installed a *manager*, who worked the farm with assigned servants.⁴⁸

While there was some tradition of appointing 'managers' on farms in rural England,⁴⁹ it was not a particularly strong one. There were some 'managers' and 'agents' administering farms on behalf of the owners, but the more common arrangement was the appointment of 'bailiffs'. The management of farms in England and Wales was usually administered by leasing to tenant farmers.⁵⁰ Pollard outlined the practices of estate bailiffs prior to the Industrial Revolution, listing their duties as drawing up leases, collecting rents, supervising the home farm, keeping the estate accounts, including payment of staff and sometimes supervising the household.⁵¹ Early colonial practice appears to have been the appointment of a 'manager' who directly supervised the farming and grazing operation, rather than the leases of tenant farmers. Some tenant farmers may have existed in the early colony, but the practice of land grants to settlers made ownership more viable and preferable to tenancy. Thus the practice of appointing managers in Australia was more adaptive and innovative than mere replication.

⁴² Roe 2006, 'Mealmaker, George (1768 - 1808)', *Australian Dictionary of Biography*, Online Edition.

⁴³ Macquarie Encyclopaedia of Australian History online entry for **Edward Lord**; Rienits, T. 'Lord, Edward (1781 - 1859)', *Australian Dictionary of Biography*, Online Edition. Accessed 02/11/2009.

⁴⁴ Macquarie Encyclopaedia of Australian History online entry for **The wool industry**.

⁴⁵ Flowers 2006, 'Dawson, Robert (1782 - 1866)', *Australian Dictionary of Biography*, Online Edition.

⁴⁶ Parry 2006, 'Parry, Sir William Edward (1790 - 1855)', *Australian Dictionary of Biography*, Online Edition.

⁴⁷ 'Curr, Edward (1798 - 1850)', *Australian Dictionary of Biography*, Online Edition; *Macquarie Encyclopaedia of Australian History* online entry for **Edward Curr**.

⁴⁸ *Macquarie Encyclopaedia of Australian History* online entry for **John Glover**.

⁴⁹ The *Oxford English Dictionary* contains a citation of the requirement for a manager of an estate, dated 1670. *OED on-line*, accessed 05/03/2009.

⁵⁰ The agrarian tradition of England and Wales is meticulously detailed in Thirsk (Gen. Ed.) 1989, *The Agrarian History of England and Wales*. Volume VI covers the period 1750-1850, and discusses land ownership and estate management practices including the appointment of farm agents, bailiffs, auditors but rarely a 'manager', to manage the estate. Leasing was sub-tenant farmers was typically undertaken.

⁵¹ Pollard 1965, *The Genesis of Modern Management* p 27.

Managers of farms dealt with the range of colonial features and characteristics, such as convicts, the aborigines, the shortage of labour, isolation and adversity, the intrusive role of government, the prospect of considerable wealth, etc. Their farming and grazing activities were vital to the initial survival of the colony and then its prosperity.

They routinely dealt with convicts assigned to the owner, facing the dilemma of transforming the typical 'London recidivist thief' into a useful farmhand. They also faced the failure of crops, wildlife grazing on new green shoots, aborigines occasionally harvesting sheep and cattle. They were familiar with labour shortages and contracting arrangements for convicts, particularly when the demand for labour was higher, such as when clearing land or at shearing time.

Owners faced the dilemma of appointing a manager and then, if that manager went elsewhere to start his own farm, replacing him. In the case of a company manager or agent, that replacement was sometimes recruited from Great Britain.⁵² As the search for land went north, west and south of Sydney Town, agricultural company managers like Robert Dawson and bankers like Ben Boyd travelled, assessed the land, took steps to acquire it and turn it into a profitable farm. The case of Edward Curr (1798 - 1850) provides an expansive picture of the role of a company *Chief Agent* working in Van Diemen's Land in the 1820s and 1830s.

Curr became the *Chief Agent* at a salary of £800 for the Van Diemen's Land Company in 1825 after meeting the directors in London. He was born in Yorkshire and had travelled with his wife to Van Diemen's Land in 1820, having formed a business partnership with a London merchant. Curr encountered numerous business problems and returned to England with his wife and their two Hobart-born sons following the death of his father in 1823. In London, obtained his appointment with the Company and arranged to purchase 250,000 acres of land in Van Diemen's Land for the company. He sailed in the *Cape Packet* with his family and staff, which included a superintendent, an agriculturist, an 'architect and surveyor' and two surveyors. Livestock, implements and emigrant labourers were to follow in a later ship, the *Tranmere*, allowing Curr some time to select the land, survey the boundaries and obtain an occupation licence from Lieutenant-Governor Arthur.

Curr identified his choice of land, but Arthur was reluctant to agree, as the selection did not preserve a clear gap between the Company's land and the settled districts. The Company wielded considerable financial power and Curr sought the grant of an interim area, while the larger surveying task was undertaken. The locality of Circular Head was assigned as the Company's base. The *Tranmere* called at the port of George Town on the Tamar River, picking up convicts and hiring sawyers. In October 1826 the *Tranmere* arrived at Circular Head and began to unload, but bad weather forced it to leave prematurely, to return to the shelter of George Town. The settlement at Circular Head began,⁵³ but soon convicts refused to work and a brawl broke out between free settlers and convicts, after rum went 'missing'. Curr received reports of insurrection but found the convict complaints largely justified because of poor rations, clothing and bedding. The superintendent's management of the settlement was found to be lacking and the Company requested that he move to Circular Head and reside there. This arrangement was affected by November 1827. In subsequent years, land clearing and grazing of Saxon sheep produced good results, but Curr recognised that continued success relied on obtaining further suitable land.

The land issue was eventually finalised in 1830, taking the form of a number of blocks, rather than as a single piece, amounting to a total of 350,000 acres. Curr had sought this result as he recognised that a single tract of land would include mountains and other areas not conducive to grazing.

⁵² See examples elsewhere in this paper.

⁵³ Settlement meant simultaneous displacement of the indigenous people.

As *Chief Agent*, he had performed business both in London and in Van Diemen's Land. He was responsible for identifying suitable land and travelled with the surveying team. Curr established the settlement at Circular Head and the Company's work force proceeded to occupy that land, displacing the indigenous people, clearing its forests and grazing sheep for wool production. The workforce consisted of the superintendent, emigrant labourers, convicts and sawyers.

The Company's further expansion across the north-west of Van Diemen's Land encountered difficulties such as stock losses, and Curr persuaded the Company's directors to recruit tenant farmers as a solution to a large Company workforce. Thus Curr, in a protracted manner, continued the English practice of farm agency through tenant farmers.⁵⁴

Banking and Other Businesses

There were also managers of early banks, hotels and other enterprises. George Read (1788-1860) was the *managing director* of the Bank of Van Diemen's Land Company from 1827 to 1849⁵⁵. William Hamilton (1790? - 1870) became the first full-time salaried bank *manager* in Australia, when he was appointed to the Derwent Bank in April 1830.⁵⁶ He was succeeded after only eighteen months by Charles Swanston (1789 - 1850) in November 1831. Swanston introduced the overdraft system to Australian banking and formed the Derwent Savings Bank during 1834. He also pursued other business interests as an import and export agent, investment agent and wool broker.⁵⁷

On 1 January 1836 a notice for the Bank of Australasia, relating to the discounting and purchasing of Bills of Lading, appeared in Sydney's *Commercial Journal and Advertiser*. It was authorised on behalf of the Local Board of Direction by G Kinnear, *Manager*. By 1840, newspapers published in South Australia, Victoria and Tasmania⁵⁸ had similar notices under the authority of *managers* of banks. These early references indicate how old the tradition of bank managers is in Australia, but it is not as old as farm managers.

Colonial bank managers were critical to the expansion of the wool industry during the 1830s. As finance became critical to expansion, so the role of the manager gained importance. As new banks entered the colony or sought to expand through new branches, bank clerks and managers needed to be appointed. While some were promotions were probably local appointments, some bank clerks and managers were recruited from Great Britain, even from afar as Scotland.⁵⁹

John Fawkner became the owner and *manager* of Melbourne's first public house, sometime in the 1830s. Brewing and distilling were popular from the early days of the colonies, continuing the traditions of the British beverage industry.

There was at least one manager of a retail business in 1838. A manager was appointed in the Appleton and Jones Sydney drapery store some time before the partners had a fall-out. One account

⁵⁴ Lennox 2006, 'Van Diemen's Land Company'; 'Curr, Edward (1798 - 1850)', *Australian Dictionary of Biography*, Online Edition.

⁵⁵ Langdon 2006, 'Read, George Frederick (1788 - 1860)', *Australian Dictionary of Biography*, Online Edition.

⁵⁶ Eldershaw 2006, 'Hamilton, William Henry (1790? - 1870)', *Australian Dictionary of Biography*, Online Edition.

⁵⁷ Swanston 2006, 'Swanston, Charles (1789 - 1850)', *Australian Dictionary of Biography*, Online Edition.

⁵⁸ The *Geelong Advertiser*, *Launceston Courier* and the *South Australian Gazette* all carried similar notices in their 1840 editions.

⁵⁹ Some bank staff came from Scotland as migrants in order to gain experience for promotion. The Scottish banks in the nineteenth century operated as a cartel where promotion was within the bank. McKinlay 2009, *A Clerical Life?*

claimed that the dispute was over Appleton's appointment of a manager. Jones became so enraged that he threw both Appleton and the manager out of the store and was charged with assault.⁶⁰

The South Australian Company, the largest absentee landowning group, had a *manager* from 1836.⁶¹ The first was Samuel Stephens, then David McLaren in April 1837. McLaren acquired land, gradually withdrew the company from whaling and shipping activities, and increased its cattle and sheep flocks. But his main success was in banking, where he lent to leading settlers and merchants.⁶²

McLaren accepted the management of the London-based company and vacated his position in 1841. He was succeeded by William Giles who steered the company through the depression that followed. He improved the wool clip through importing Saxon rams and secured tenant farmers to grow wheat. He remained in the company's service as a faithful and enterprising employee until 1861.⁶³

The South Australia Company was, as indicated earlier, the vehicle for the colonisation of South Australia with free settler migrants. Its managers were thus very prominent figures in the local context, though clearly responsible to the London company and its owners. Stephens, McLaren and Giles were all appointed in Great Britain and made the long sea journey to South Australia to take up the appointment. McLaren was sent following concerns about Stephens' conduct and his succession was thus under adverse circumstances. His appointment to manage the London Company indicated a high regard for his abilities, and probably amounted to a promotion, but also a return to the comforts and attractions of London. He managed the London company while Giles managed the colonial operation.

The operations of the South Australia Company were manifold, conducted both from London and South Australia. London undertook the functions of attracting, selecting and arranging the passage of migrants, not only from Great Britain, but also from Europe, particularly Germany. German migrants pioneered the wine industry in the Barossa Valley, establishing family companies, some of whose names still appear today. Cornish migrants were important for the copper mining industry during the 1940s. Successful migrants were selected for their skills and age, amongst other criteria. One could describe the South Australia Company as a private colonisation firm, operating in a similar manner to the British government, but on a model of profit for the owners.

About 1838, Richard Green (1808 - 1878) was accountant and general manager of the merchant firm of James Henty & Co., Launceston and carried on the business in his own name from 1843.⁶⁴ In 1839 Ben Boyd founded the Royal Bank of Australia in London, with his brother Mark as *manager*. In 1843 Ben Boyd, (then of Boyd Town) appointed *managers* to administer his whaling and pastoral interests. Oswald Brierly was appointed *manager* of whaling while WS Moutry was appointed *manager* of all non-whaling activities of Boyd Town which included pastoral and shipping interests.⁶⁵ In 1843 John Bell was the *Managing Director* of two insurance companies in Tasmania.⁶⁶ During the 1840s, Clark Irving (1808 - 1865) was *manager* and later director of the Australasian Sugar Company.⁶⁷

⁶⁰ Pragnell 1979, *Selling Consent* p 79.

⁶¹ 'Stephens, Samuel (1808 - 1840)', *Australian Dictionary of Biography*, Online Edition.

⁶² 'McLaren, David (1785 - 1850)', *Australian Dictionary of Biography*, Online Edition.

⁶³ Tregenza, J. 2006, 'Giles, William (1791 - 1862)', *Australian Dictionary of Biography*, Online Edition.

⁶⁴ Green 2006, 'Green, Richard (1808 - 1878)', *Australian Dictionary of Biography*, Online Edition.

⁶⁵ Diamond 1995, *Ben Boyd of Boyd Town* p 99-105

⁶⁶ Rand 2006, 'Bell, John (1790 - 1841)', *Australian Dictionary of Biography*, Online Edition.

⁶⁷ Daley 2006, 'Irving, Clark (1808 - 1865)', *Australian Dictionary of Biography*, Online Edition.

Ben Boyd was involved in Australia's profitable sealing, whaling, cattle and sheep industries, supplying both local and overseas demand. The line between Boyd's personal and private interests became somewhat blurred, as he used the Royal Australia Bank's capital to fund many of his own speculative ventures, but his appointment of managers was a means of expanding the scope of the bank's investments and his own.

The 1830s and 1840s demonstrated a more diverse selection of industries where managers were appointed to locations away from Sydney Town, in some private contexts but increasingly in public companies. Both the South Australian Land Company and Ben Boyd operated portfolios with a degree of diversity. The nexus of a bank with other commercial endeavours was a heavily pragmatic consideration in Boyd's case, where the source of funding spurred entrepreneurial activity. In the case of the South Australian Land Company, the decision to lend money to settlers was a change of investment strategy that facilitated business expansion. Under McLaren's management, the company moved from sealing and whaling to grazing and financing leading settlers and merchants.

Theatre Managers

The development of the colonial societies stimulated cultural pursuits, entertainment and theatres during the 1830s. There were a number of theatre managers during this time, such as Joseph Simmons, John Lazar, Conrad Knowles, Joseph Wyatt, William Knight, Frederick Gibson and George Coppin. Simmons, Lazar, Knowles and Coppin all came to the colony from England and pursued the careers of actor and theatre manager, continuing the tradition of theatre managers that perhaps dated from Shakespeare's times.⁶⁸ The Oxford English Dictionary also contained a citation of the manager of an opera house in England, dated 1781.⁶⁹

Simmons (1810?-1893) came to Sydney as a settler in May 1830 and became an auctioneer. In January, 1834 he responded to an advertisement for a partner with capital for the Theatre Royal in Sydney, "such only as are prepared to give their personal attention to the management of the concern can be accepted"⁷⁰. The following month, he commenced as a part-owning *manager* and actor until May 1836. He pursued other business opportunities as an auctioneer and the licensee of a public house, before becoming the *manager* of the Victoria Theatre in April, 1842. In May of 1843 he opened his own City Theatre but it closed after a few weeks.⁷¹

Lazar (1801-1879) came to Sydney in February 1837. He performed at the Theatre Royal in Sydney and was its *manager* between December 1837 and March 1838, when it closed. He was then *manager* of Sydney's Victoria Theatre from May 1843 till August 1844, and again in 1846. Returning to Adelaide in 1848, he was actor and *manager* at the Royal Victoria Theatre in 1850 and enjoyed considerable popularity. Lazar later pursued a career in public office as an alderman in 1853 and then Mayor of Adelaide Council from 1855 to 1858.⁷²

⁶⁸ 'Edward Alleyn', <http://www.globe-theatre.org.uk/edward-alleyn-actor.htm> Accessed 25/04/2009; 'John Hemmings', <http://www.globe-theatre.org.uk/john-heminges-actor.htm> Accessed 25/04/2009. Both John Hemmings and Edward Alleyn were actors and contemporaries of Shakespeare who performed his plays at the Globe Theatre and were 'managers' of their respective acting troupes.

⁶⁹ *Oxford English Dictionary* 1992; *OED on-line*. Accessed March, 05/03/2009.

⁷⁰ Advertisement quoted in Oppenheim, 'Simmons, Joseph (1810? - 1893)', *Australian Dictionary of Biography*, online edition.

⁷¹ Quoted in Oppenheim, 'Simmons, Joseph (1810? - 1893)', *Australian Dictionary of Biography*, online edition.

⁷² Fischer, 'Lazar, John (1801 - 1879)', *Australian Dictionary of Biography*, online edition.

Knowles (1810 - 1844) arrived in Hobart Town in April 1830 but then moved to Sydney. He joined the Theatre Royal as an actor for its first season in December 1832 and became its acting *manager* for its second. He left for London in May 1837 but returned to Sydney in October 1838 joining the Victoria Theatre as an actor. In 1840 he became stage *manager* until February 1842 when he joined the new Olympic Theatre. He later joined Simmons' City Theatre and, after it closed, toured Tasmania before travelling to Melbourne where he opened the Victoria Theatre.⁷³

Joseph Wyatt (1788-1860) opened the Victoria Theatre in Sydney in March 1838. It had a seating capacity of 2,000, considerably larger than the Theatre Royal. In March 1841 he sailed for England to recruit performers for the theatre and in his absence, William Knight was the *manager* of the theatre. Knight was a hotel owner and part-owner of the theatre until December 1845 after which time Wyatt and his brother-in-law, Frederick Gibson, shared the management of the theatre.⁷⁴

Coppin (1819 - 1906) initially came to Sydney in March 1843, and joined the Victoria Theatre but moved to Hobart in January 1845 where he joined the Royal Victoria Theatre and exercised some managerial control. In June the same year he moved to Melbourne and, with his own company, opened at the Queen's Theatre Royal. In September the same year, he moved to Adelaide and in November opened New Queen's Theatre, capable of holding 700 people. He pursued diverse business interests and appointed John Lazar as the *manager* of the theatre in 1848. But in 1850 he returned to manage it theatre partnership with Lazar, renovating the building and re-opening as the Royal Victoria. Further developments in his career as a theatre owner and manager are described in the Chapter 4.⁷⁵

The biographies of these five theatre managers illustrate various features of the early colony. They were all 'free settler' migrants with skills that enabled them to work as actors, theatre managers and often in other vocations, including political life. They travelled, adapted to commercial opportunities and lived through business failures.

Anonymous and Prominent Managers

Through the fragments recorded in newspapers, government gazettes, letters and company documents it is possible to know about some managers and what they did, though sometimes the material is very limited. *The Sydney Gazette and New South Wales Advertiser* of 7 March 1835 carried notice of a man wanting a situation, describing himself as a "person who understands the management of Land and Stock, having farmed in England on his own account, as well as had the management of an Establishment in this Country, which he has just left, the property having changed hands of which he had the charge." The notice does not contain his name, just the initials B.Y. He appears to have worked as a manager in two separate industries, but the identity of B. Y. is one mystery in many.

There were more many managers in various contexts. Those listed in this paper were more prominent in public life or were well served by record-keeping and later historians. Entrepreneurs probably appointed other managers on farms, in merchant houses, stores, workshops, mills and wharves. Further research will illuminate a fuller picture of their business and duties. The examples recounted in this section establish that the presence of managers in Australia from at least 1799 is beyond dispute.

The beginnings of the railways of New South Wales lay in the years prior to 1850. Speculation commenced in 1845 and meetings and discussion occurred both in Sydney and London in 1848, but

⁷³ Oppenheim, 'Knowles, Conrad Theodore (1810 - 1844)', *Australian Dictionary of Biography*, Online Edition.

⁷⁴ Oppenheim, 'Wyatt, Joseph (1788 - 1860)', *Australian Dictionary of Biography*, Online Edition.

⁷⁵ O'Neill, S. 'Coppin, George Selth (1819 - 1906)', *Australian Dictionary of Biography*, Online Edition.

the Sydney Railway Company was incorporated after NSW legislation was assented to in October, 1849. Six directors were elected and Charles Cowper was unanimously elected as *manager* with a salary of £600 per annum, at the inaugural general meeting of shareholders.⁷⁶ Some shareholders objected to the size of the salary, but the editor of the *People's Advocate* saw wisdom in the 'investment', arguing that the manager was superior to the politician-directors and master of a colossal task:

"It is said that the manager's salary is too high. For what? ... The labours are Herculean and, what is more, the multifarious duties must require the Hercules who undertakes them to be a gentleman. Not such gentlemen as our Hills, Wentworths, Fitzgeralds and Martins, whose flaunting patriotism and aspirations of independence may at any moment be pretty considerably influenced by a good dinner at Government House. What sympathy have they with colonial enterprise? Give them their old glory back again – give them their convict system – their old bullock driving – their old lash and triangle – their old penal labour, and the institution of railways may begin at doomsday ... The railways must go on."⁷⁷

Cowper was a determined man with considerable influence. Growing frustrated with the decisions of the directors, he resigned as manager and requested that the shareholders reverse a prior resolution preventing the manager from holding a board seat. At the subsequent shareholders' meeting on 8 October 1850, he prevailed, and five of the six directors resigned in protest.⁷⁸ In taking his seat on the board, the manager had moved from the backroom to the boardroom.

Edward Knox

Another manager who made his way from the backroom to the boardroom was Edward Knox (1819 - 1901). His business career provides an illustration of the role of the development of management practice in New South Wales within the expanding colonial economy from the early 1840s to the year of Australia's federation.⁷⁹

Knox was a manager of the Australian Auction Company who transferred to the Colonial Sugar Refining Company in 1843 at a salary of £250. With two partners, he purchased a refinery and a distillery and leased them to the Colonial Sugar Refining Company. He traded in real estate, gaining wealth and prominence. He was a director of the Commercial Banking Company of Sydney from 1845 till his death in 1901. In 1847, he became *manager* of the bank, replacing the previous managing director who had been dismissed for embezzling £10,700 of the total capital of £72,000. He devoted himself to the management of the bank until 1851, when he resigned the manager position. Knox became a director of the Sydney Tramway and Railway Co. and helped to found the Sydney Chamber of Commerce.⁸⁰

The Australasian Sugar Company was founded in 1842 but in 1854, it went into liquidation as a result of disputes amongst the partners. The following year, Knox formed the Colonial Sugar Refining Company (CSR), holding a third of its capital of £150,000, and purchased the assets of the Australasian Sugar Company. The company flourished during the next two years, declaring a dividend of 50% in 1856, so Knox sold some of his shares and went to England. World sugar

⁷⁶ Gunn 1989, *Along Parallel Lines* p 19; Lee 1988, *The Greatest Public Work* p 15.

⁷⁷ Gunn 1989, *Along Parallel Lines* p 19.

⁷⁸ *Ibid.* p 23.

⁷⁹ The following biographical summary relies on Lowndes, A. G. 'Knox, Sir Edward (1819 - 1901)', *Australian Dictionary of Biography*, Online Edition.

⁸⁰ Lowndes 'Knox, Sir Edward (1819 - 1901)', *Australian Dictionary of Biography*, Online Edition.

prices fell and the company faced heavy losses threatening Knox's personal wealth. He returned to Sydney and gradually mended the company's trading position, determining that profits would never again be disposed as dividends but should be retained as reserves and used to fund finance expansion. In shifting the balance from dividends to reserves, Knox increased the capital within the business and viewed the company as more than a year-to-year proposition.

He removed competition through take-overs and promoted strength and efficiency within the organisation. Knox maintained a voluminous correspondence with overseas agents and kept abreast of technical developments in refining and milling. His mantle expanded the company's refinery operations into other Australian colonies and New Zealand and mills were constructed to crush cane. He established one of the early staff provident funds and had few industrial problems. In 1880, he appointed his second son, Edward William Knox, as general manager but remained chairman until 1901. In 1885, he appointed Joseph Grafton Ross as the secretary and manager.

Knox had many other interests and roles. On his four visits to London, he acted as a director for various firms. He owned considerable tracts of pastoral lands, served on the advisory committee of the Australian Agricultural Company, was a director of the Sydney Exchange Co. and chairman and trustee of the local board of the Liverpool and London and Globe Insurance Co. Aside from his business interests, Knox was very active in the Sydney Anglican church, a director of the Benevolent Society and the Sydney Infirmary and Dispensary, a founding director and chairman of the Royal Prince Alfred Hospital and vice-president of the Carrington Centennial Hospital for Convalescents at Camden, and as a member of the first Legislative Council in 1856-57 (he was reappointed in 1881, but resigned in 1894 due to illness).

The crash of the banks and the drought of the 1890s sent shock waves across the states and produced conditions that severely taxed the capabilities of managers and company directors. All the banks were affected and involved in repair and re-construction. When the banking crisis occurred in 1893, Knox was chairman of the Commercial Banking Company of Sydney. Following the suspension of business on 15 May, he devised a reconstruction scheme, enabling the bank to resume trading on 19 June, some five weeks later. Earlier experiences managing the bank through its embezzlement scandal during the 1840s and rescuing CSR from the brink of collapse in the 1850s had, no doubt, prepared him for the depression of the 1890s.

The Rise of Public Companies

While public companies were powerful in banking, insurance and coastal shipping by 1850, their prominence rose with subsequent mining, engineering and railway investment. Though the essential structure of the public company has remained intact (board of directors, shareholders, manager, and employees), there are a number of clear differences in how public companies operated then compared to now.

During the nineteenth century, most large public companies, with the exception of banking, were controlled by a handful of rich shareholders, who occupied the board and governed its operations. In effect, these people were managing directors. Often one or two owners carried the title of managing director.⁸¹ In 1883, silver was discovered at Broken Hill and two years later the first board of the Broken Hill Proprietary Company was formed, dominated by a handful of rich shareholders. In 1886 the first board of the Mount Morgan Gold Mining Company was formed with five shareholders holding 88% of the company's shares.⁸²

⁸¹ Blainey 1976, *The Politics of Big Business* pp 1-2

⁸² Blainey 1976, *The Politics of Big Business* p 2; Ward 1965, *The Australian Legend*, p 11; see also 'Rise of the Steel Industry'; Macquarie Encyclopedia of Australian History Online.

Salaried administrators were known as the secretary or manager and rarely sat on the board, which was the preserve of the owners. But while social standing was not conveyed, these men were handsomely paid, irrespective of whether they were recruited locally or from abroad. While of lesser standing than the owners, in some circumstances, managers could exert considerable influence and power, particularly when the membership of the board rotated quickly due to resignation or death, an experienced manager could provide a mainstay. Similarly, in an era of slow communications and sea travel, the manager had extended control over operations compared to a head office in London or Edinburgh. Through both these means, the manager could filch effective power from the board, irrespective of his lower standing.⁸³ However, the boards and owners in London or Edinburgh enforced the obligations of the manager or chief agent of the public company, as evident in examples of managers listed earlier who were replaced.

The passing of the *Companies Statute* in Victoria in 1964 and the consequent formation of companies produced increased opportunities for accountants and auditors. In subsequent decades the relationship between the company, its manager, accounting and audit grew closer as the practice company managers embraced a wider range of functions. In a climate of economic development, particularly the mining industry, the need to account for investment expenditure and inventory was important as a means of demonstrating the operations of the company as well as determining dividends for shareholders. The demand for accounting and audit functions was not limited to the mining industry, but evolved as business practice became increasingly formal and as a consequence of greater business investment activity. Government regulation played a minor role. While the appointment of municipal auditors was required upon the introduction of the *Victorian Local Government Act* of 1890, compulsory audits of Victoria companies were not mandated until 1896, after the economic depression of the 1890s revealed various weaknesses.

During the 1880s, accountants emerged as a distinct group of service providers with particular expertise, listing in commercial and trade directories and congregating in particular precincts of the capital cities. Their occupational identity was partially derived from their British counterparts, whose standing had gained momentum through being more effective than lawyers in disentangling bankruptcies.⁸⁴ From 1885 a number of professional accounting associations formed in Australian states using the British model whereby new members were only admitted upon passing the examinations of the association.⁸⁵

The local shareholders took an active interest in the affairs of the company, attending its general meetings, making decisions and instigating actions. Between 1869 and 1871, the board of the National Bank of Australasia dismissed two successive general managers and the shareholders dismissed most of the directors.⁸⁶

During the 1870s and 1880s, thousands of working people owned shares in mining companies. There were busy stock exchanges at towns such as Broken Hill in New South Wales, and Queenstown and Zeehan in Tasmania. Trade unions, such as the Amalgamated Miners' Association, held interests in directing the operations of public mining companies, either on a profit-sharing basis or with a union office bearer on the board. But by 1900, the involvement of working people and union leaders was waning. Throughout the period, anonymous or unknown

⁸³ *Ibid.* p 4.

⁸⁴ Boyns, T. 2009, 'It at first you don't succeed, try, try and try again: British Cost and Management Accountants and their pursuit of Professional Status', Paper presented at the Management History Research Group 2009 Workshop at York, July 2009.

⁸⁵ Carnegie 2009, 'The Development of Accounting in Australia' pp 281- 282.

⁸⁶ *Ibid.* p 6.

investors were prevented from becoming shareholders by the owners.⁸⁷ During the 1890s, women formed only a small minority of shareholders.

Another profound difference in the operation of public companies was the prominence of the dividend. Some companies paid out dividends quarterly, but many paid on a monthly or fortnightly basis. The Mount Bischoff tin mining company of Launceston paid a monthly dividend for forty years. Between 1865 and 1901, the Long Tunnel Mining Company of Gippsland declared 279 separate dividends, an average of more than seven per year. In 1889 the Mount Morgan Gold Mining Company became the first Australian company to pay £1 million in dividends in the space of one year. With the exception of banking, large reserve funds were frowned upon. The purpose of the company was to make profits and pay them to the shareholders.⁸⁸

By 1875 public companies were powerful in pastoral finance, gold, coal and base metals. Most of the minerals were produced by public companies rather than working owners or small syndicates. By the 1880s most gasworks and many large engineering firms were owned by public companies.⁸⁹

Many of the large public companies that were to play prominent roles within their industries were formed during this time. Table 1 lists some of the more durable companies that were registered during the period. Of these, some, such as Dalgety and Co. Ltd. and Elder Smith & Co. had traded prior to registration.⁹⁰

Table 1 Formation of Public Companies 1851 - 1900

Year	Company	Registered
1855	Colonial Sugar Refining Company Ltd	Sydney
1860	Angus and Robertson Ltd	Sydney
1865	New Zealand Loan and Mercantile Agency	England
1866	New Zealand and Australian Land Company	Scotland*
1875	Adelaide Steamship Company Ltd	Adelaide
1878	Mercantile Mutual Insurance Ltd	Sydney
1884	Dalgety & Company Ltd	London
1885	Broken Hill Proprietary Company	Melbourne
1886	Mount Morgan Gold Mining Company Ltd	Brisbane
1888	Goldsborough Mort	Melbourne
1888	Elder Smith & Company	Adelaide
1892	Mount Lyell Mining Company Ltd	Melbourne
1894	Australian Estates and Mortgage Company Ltd	England
1895	Melbourne Steamship Company Ltd	Melbourne

Source: Guide to Australian Business Records, http://www.gabr.net.au/gabr_home.html Accessed 12/06/2009; *Tennent 2009b, *The Free-Standing Company in Pastoral Investment*.

The Rise of the Salaried Manager

The rise of the public company was the vehicle for the ascent of the salaried manager. As public companies became bigger, the salaried manager grew more important. This period saw a number of

⁸⁷ *Ibid.* pp 9, 13-14.

⁸⁸ *Ibid.* p 10.

⁸⁹ *Ibid.* p 1.

⁹⁰ Elder Smith & Co Ltd was registered in Adelaide in 1888. From 1863 to that time it had traded as Elder Smith & Co.

large companies operating, including the Australian Agricultural Company, the Van Diemen's Land Company, the Australasian Sugar Company and the South Australia Company continued to trade, the latter under the management of William Giles.⁹¹

In the mining sector, general managers were recruited to the largest operations from abroad. William Patton was recruited from Virginia, USA to the Broken Hill Proprietary company⁹² and, in the 1890s, Robert Carl Sticht was recruited from Colorado, USA to the position of general manager at Mount Lyell Mining and Railway Company in Queenstown, Tasmania.⁹³ Guillaume Delprat was appointed as Assistant General Manager of the BHP in 1898 and General Manager the following year. Having built a career in the mining industry, initially in Spain, Delprat based himself in London working as a consultant advising companies in Spain, Mexico and North America. Delprat developed expertise in the processes used to extract metals and had published a paper in the transactions of the American Institute of Mining Engineers. He implemented new processes and improvements at Broken Hill, assisting the company's profitability.⁹⁴

The New Zealand and Australia Land Company was formed in 1866, with a capitalisation of £2 million, to give limited liability to around thirty-eight land holdings in Australia and New Zealand, owned by private Scottish investors. It was a free-standing company whose core operation was wool growing, though it conducted other agricultural activities. By 1879, the New Zealand land holdings had been consolidated into fifteen portfolios, each with a manager. A further five portfolios in NSW and one in Victoria were managed by one agent company, Holmes, Wright and Co., while the Queensland portfolio had its own manager with three farm managers. The overall company structure had a General Manager and a Colonial Manager based in Scotland, as well as a Queensland Manager and farm managers in New Zealand and Australia.⁹⁵

The eminence of the manager was evident in the mining giants during the 1880s when general managers like William Patton, Robert Sticht and Guillaume Delprat were appointed to run highly profitable operations. These three men were recruited from overseas and appointed because of their international experience. Bank managers gained prominence through the expanding branch structures, and pastoral agents were similarly important members of local rural communities.

Managers of the 1880s were appointed to a greater range of businesses such as a plant nursery, merchant stores, waterworks, stage coach transport, vineyards, newspapers, meat-preserving, river transport, clothing, Aboriginal missions, electricity, mining, brewing and engineering. Some could be regarded as career company managers. Managers were sometimes able to progress through a company and secure a directorship, but often not.

During the nineteenth century, managers were employed in many contexts, but notably in strategically important industries. British and local influences were dominant throughout the nineteenth century, but towards the end of the century, some American influences emerged with the recruitment of American salaried managers to Australian mining companies. But British men were

⁹¹ Tregenza, J. 2006, 'Giles, William (1791 - 1862)', *Australian Dictionary of Biography*, Online Edition.

⁹² Blainey 1976, *The Politics of Big Business* p 4.

⁹³ <http://www.asap.unimelb.edu.au/bsparcs/biogs/P002619b.htm> Accessed 24/10/2009;
<http://www.mininghall.com/MiningHallOfFame/HallOfFameDatabase/Inductee.php?InducteeID=1215> Accessed 13/12/2009.

⁹⁴ <http://www.mininghall.com/MiningHallOfFame/HallOfFameDatabase/Inductee.php?InducteeID=1139> Accessed 13/12/2009.

⁹⁵ Tennent 2009a, 'Management and Networks'; Tennent 2009b, 'The Free-Standing Company in Pastoral Investment' p 4.

recruited to run the railways and the British institutions of government, the law, finance, banking and insurance continued with local adaptations.

Conclusion

While prior local and overseas research provides a framework for analysing the development of Australian management and big business in the twentieth century, research into the earlier history of Australian managers and management practice demonstrates an alternative view which features the diffusion of British institutions and practices. Managers were appointed during the early decades of the colony both in public companies and many other business contexts. As the economy diversified managers were appointed in a wider range of businesses. As industries like farming and grazing grew, the number of managers increased and as companies expanded through branch structures, managers were appointed to oversight business operations. During the nineteenth century, British and local influences dominated but as wider international industry networks developed, some American influences emerged, notably in the mining industry. Thus the institutions and structures necessary for the rise of management and big business in the twentieth century were established during the nineteenth century.

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