

The political embeddedness of managerial ideologies in pre-state Israel: the case of PPL 1920-1948

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Systematic managerial thought emerged in the late 19th century in the U.S. concurrently with the onset of industrial capitalism. Researchers have identified five theoretical models that formed the canon of employment management: industrial betterment, scientific management, human relations, and more recently, system rationalism and organization culture. Despite substantial historical variation, researchers largely agree upon the saliency of the sequence presented by Barley and Kunda [1].

Traditionally, the explanations for the rise of these various models were of two kinds: either economic with emphasis on technology and market mechanisms [2] or neo-Marxist with emphasis on labor control [3,4]. Recent critiques of dichotomous arguments have provided broader explanations with reference to the complex interplay between history, politics and culture [1,5,6,7]. However, the literature on managerial ideology and its critiques have been dominated worldwide by models that were generalized from the U.S. experience only. Even comparative studies use the American experience as their reference point. For example, Guille'n's careful and methodical historical analysis [5], focuses on the absorption of the American models in European countries, rather than on the identification of indigenous models that may have emerged in these societies. His analysis implicitly assumes the universality of the American school of management.

The neglect of indigenous models of management outside the U.S. is unfortunate, especially in light of the growing dissatisfaction with the tendency to universalize American managerial culture. For example, Dobbin studied turn-of-the-century railroad policies in the U.S., Britain and France and found that the character of modernity and rules of economic action varied within the so called Western world [8]. He suggested that the *laissez-faire* principle that dominated the British and American leading cultures were not pivotal to understanding railroad policies in such countries as France, Sweden or Japan.

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Dobbin concluded that different countries follow fundamentally different types of rationality. Criticizing American economic models, such as Chandler's Strategy and Structure [9], Hamilton and Biggart [10] demonstrated that the usage of the Western notions of hierarchy, authority and economic development are misleading in the context of Eastern Asia. Likewise, Laurent points to substantial disagreements across countries on such issues as the logic behind hierarchical structures or the degree of preciseness in organizational communication [11]. Elsewhere, Adler reported that two thirds of all surveyed Arab executives – as opposed to Anglo-Saxon managers – stated that loyalty was more important than efficiency [12]. In sum, evidence suggests that organizational and managerial models do not represent a single coherent worldwide project. They should, rather, be understood as a cultural and political product of a society. Applying this reasoning to the literature on managerial thought and practice, we propose that the model developed by Barley and Kunda [1], should be interpreted as a specific product of American culture and history.

This paper concentrates on managerial ideologies that diverge from the American tradition. We present the case of industrialization in Palestine (Pre-State Israel) during the period 1920-1948 and argue that the canonic American literature is far too weak and remote to explain this history. Palestine at the time was a cultural mixture of Native-Arabs, Eastern-European Jewish with a Zionists-socialist vision, British colonists, German Jewish capitalists, and ambitious Zionists from Western Europe and the United States [13]. This diversity had tremendous ramifications for labor, management and capital formation. We demonstrate in this paper that the so called “managerial ideologies” in Palestine did not emerge out of the world of work or industrial relations – as was the case in the U.S. – but from the broader ideological context within which work was embedded. A study of managerial ideologies in Israel has never been conducted before. What may otherwise be a weakness is treated here as an advantage since it enables us to introduce a fresh and unbiased conceptualization.

Since there is almost no documented social history of management and industry in Pre-State Israel, we decided to focus on one large and influential industrial establishment, the Palestine Potash Limited (PPL), and to study managerial ideology there. A brief background of the Israeli context is in order.

The Israeli case

The Israeli experience seems to contradict several premises upon which the American paradigmatic model is based, and therefore justifies an idiosyncratic cultural-political-economic approach. In order to understand why this was the case, let us first describe the condition for industrialization in the Western world. In his comparative study Bendix examined the difficulties that carriers of industrialization encountered in two different stages [14]. In the entrepreneurial stage capitalists had to garner legitimation for their industrial efforts. Entrepreneurs faced the opposition of two groups that were threatened

by burgeoning industry: the agrarian aristocracy and the proletariat. The first monopolized critical political resources – such as accessibility to legislative procedures – and the second started to emerge as an identifiable class. Eventually, the legitimation of entrepreneurs was grounded in the belief in the virtue of the wealth and social-Darwinist ideas [14,15].

In the second stage, when industry was a fairly legitimated activity, professional managers – who did not possess any capital or wealth of their own – had to find alternative sources of legitimation for their control. At this stage, other ideologies served as the theoretical arm of managerial capitalism. It is not surprising then that rationality became a central ideological construct in the legitimation of control and the justification of authority in the workplace. Rationality was equated with reason, with calculability, efficiency and uncertainty reduction [16]. Historically it was commensurate with the anti-chaos trend that characterized the onset of industrial capitalism at the end of the 19th century in the United States [17].

The conditions of industrialization in Pre-State Israel were very different from those described by Bendix. First, industrialization was late to arrive to the country. It was not until the early 1950s that industrial capitalism became a legitimate, desired and fruitful arena of economic activity. During most of the period in point the dominant Zionist agrarian ideology was antagonistic to the project of industrialization. This was apparent both in the practice of industry and the ideology of manufacturing that prevailed in Pre-State Israel (Palestine). Thus, the available managerial literature does not provide an answer to an intriguing question: how do capitalists in free enterprises control a large number of workers in the absence of an elaborated capitalist system?

Second, the hierarchy of political power was upside down. In a society where the Labor Party and labor-organizations controlled the ideological agenda, organized workers often had more access to political resources than their industrial employers. In other words, workers were not always considered proletariats, but often were perceived as part of the power elite who immigrated to the country “to become pioneers”. Furthermore, the local labor unions did not hesitate to take over ownership and management of relatively large size factories. Third, the ethic of professionalism was incongruent with the dominant national collectivist ethos. It was a period of nation building during which claims over reality could not be anchored in truthfulness of professional expertise. How, then, was managerialism justified? Fourth, not independent of the previous points, the professionalization of management did not take place until the early 1960s. Apparently there were no identifiable carriers of rational ideology and there was no independent managerial discourse. Whereas local industrialists were exposed to modern management techniques (e.g. scientific management), these techniques were marginalized. These differences make the idiosyncrasy of the Israeli case (described below) all the more compelling.

(1.1) Population and workforce.

The period between 1920-1948 was formative for the establishment of the state of Israel and to its political structure. During this period Palestine was ruled by the British government which prepared the infrastructure for industrial transportation, mainly railroad construction. In the early 1920s Palestine's total population approximated 752,000 comprising 89% Arabs and 11 % Jews. At the end of this period, with the establishment of the state, the picture was reversed: 81% of the population was Jewish and the population had reached 806,000 [18]. The reality behind this considerable change was conflictual: Jewish immigration, Arab emigration, border change and population transfer during the 1947-8 War [19,20].

Palestine's economy had a dual structure with a corresponding division of the labor market between Jews and Arabs [19,21]. The two sectors had differential structure of labor processes with substantial institutional barriers: differences in the ability to maximize profits and differences in working conditions and wages [22,23]. In the late 1920s, there was a rapid development of Jewish capitalism and a rapid growth in the number of laborers employed in private enterprises. In 1926 alone the number of Jewish workers employed in the private economic sector in Palestine rose 150 % from 2,336 at the beginning of the year to about 6,000 at the end [24]. The Arab sector did not go such transformation and 65% of the workers were in the agricultural sector compared with 21 % in Jewish sector [25]. Wages among those who worked in the industrial sector were approximately twice as much for Jews compared with those of Arabs. These differences between the Jewish and Arab markets remained relatively stable during the 1920s and the 1930s [26].

(1.2) Industry

A country is considered industrialized when less than 50 % of its population is engaged in primary production (i.e.: agriculture, forestry and fishing). England reached this stage in 1841, France in 1866, Germany in 1870 and the U.S. in 1880 [14]. In Palestine, only 18 percent of the Jewish workers were employed in primary production in the early 1920s. According to this figure, Palestine's economy could be considered industrial. However, during this period, industry was in its infancy. In 1922 there were approximately 1850 establishments which employed 4750 workers, most of them in construction and in the iron industry [27]. At the same time, the average American establishment was 12 times larger [28]. In 1930 there were 2274 establishments employing 9362 employees. The largest establishment, Neshet Ltd. (a cement industry), employed 390 employees and Shemen Ltd. (an oil industry), the second largest, employed 258 employees. At the end of Second World War, industry surpassed agriculture as the leading sector of the economy, and even then the employment figures were relatively low.

Despite the fact that several establishments did employ hundreds of employees and that the number of workers employed in private sector increased dramatically, there is virtually no historiography of managerial practices

during the formative period 1920-1948. Similar to the history of management in England in the early stages of industrialization [29], most enterprises were managed by owners and entrepreneurs. As Arie Shenkar, chairperson of the local Association of Manufacturers, acknowledged at the time “professional management is absent and significant enterprises are still under impractical and inexperienced supervision” [27, p. 49]. Industry was marginal from a political standpoint as well, (e.g. the local Manufacturers’ Association had no political influence). The marginality of industry was partly the result of the mainstream ideological and political discourse within the Jewish society. However, the importance of politics in legitimizing industry – to be discussed below – was observed by an outsider, a consultant who visited the country in 1947: “the political situation of Palestine ... is certainly a dominating factor for the development of any industrial undertaking in this country” [30].

(2.3) Politics, culture and ideology

The cultural and political axis which defined economic actions in Palestine were formed during the period 1920-1948. It was a formative period both for the social construction of the dominant ideological discourse and for the establishment of the hard core political institutions, such as the Histadrut (General Federation of Hebrew Workers) and the various political parties. The nation and its character was the main theme on the public agenda and different interest groups competed on the way the Jewish nation had to be established. In the early 1920s, following a lengthy struggle between the American and the European schools of Zionism, the latter triumphed. The American Zionist movement, headed by American Progressivist Judge Louis Brandeis, supported nation building using rational means and market oriented principles: private capital, individual entrepreneurs and scientific management [31]. The European school, headed by Haim Weitzman, promoted a collectivist approach with centralized control of capital and resources allocated based on collective-national needs. The struggle ended with the rise of a dominant political and economic discourse characterized with three main themes: Nationalism, Collectivism and Agricultural orientation [24,27]. To be sure: these discursive forms did not exert equal influence on the establishment of the state nor did they remain stable over time. Likewise, the dominant socialist version of Zionism, did not exclude the other versions completely.

Nationalism was shaped by ideas imported by Eastern-European immigrants. It was grounded in primordial identity and collective ethnic-based participation and was based on organic and historical elements which represented the desire to fulfill national identity. As such it was different than liberal nationalism that rose in Western European enlightenment and formed nationality on a legal and civil basis. According to this Zionist version, Jewish immigrants to Palestine were not considered refugees, nor did they come to improve their economic status. They were members of a movement that came to actualize its national aspiration.

The collectivist approach suggested that economic and individual action had to be anchored in collective interests, while the collective was defined only in Jewish national terms. Many early settlers were ardent socialists who wished to build the Jewish state as a socialist society. The major organization that they created was the General Federation of Jewish Workers, better known in its abbreviated Hebrew form as the Histadrut. It was set up as a Jewish labor organization, but de jure it served as a state apparatus for the Jewish community in Palestine. The Histadrut's domains of actions included welfare, education, health, industry and settlement of the land. This type of social structure was created and controlled by the labor parties and was termed Constructive-Socialism [24]. Democracy within the Jewish sector was an agreed upon principle in the political institutions of the Jewish settlement in Palestine. This is relevant to our argument to the extent that socialism was constrained within democratic principles and that industry, for example, was not nationalized. In other words, nationalistic, collectivist and socialist ideas were hardly coercive. Nevertheless, they were dominant ideas in the ideological constructs of the forming society.

Agriculture was considered a preferred mode of production and the engine of economic productivity. It was at the top of the occupational hierarchy, served as a dominant sector for the absorption of immigrants and was used as a mean to further the ties between the people and "their" land. The agricultural orientation, which required little capital, was manifested by the existence of agricultural communes and collective villages [27]. Private industry was alien to the economic structure, and to the extent that it was considered important it was in the context of its contribution to agricultural production.

These three themes summarized the character of the hegemonic ideology since the 1930s: a collectivist, agrarian, Jewish, social-democratic society. Private industrial capitalists had to ground legitimation to their activities, at least symbolically and rhetorically, in commitment to these principles.

These political-ideological constructs defined the managerial field in Pre-State Israel in two complementary manners. First, American managerial ideology were partly imported and translated to the Palestinian industry, but its logic was subordinated to local ideological parameters. For example, productivity increase could not simply be justified by capitalist motives. It had to conform with collective goals. Second, nationalist discourse was brought in as an independent managerial ideology since "standard" managerial ideologies collapsed given the anomalies that they produced. These two aspects form the pillars of the empirical analyses below.

(2) Methodology

Two forms of data analyses come to mind in the attempt to analyze the political and cultural embeddedness of managerial theories and practices; The first and the more common one is the discursive analysis [1,5,6]. However, since there is no documented social history of management and industry in Pre-State Israel, nor was there a forum for intellectual discourse on management, we decided to

take the other path, analyzing a specific organization as a case study. Historical analysis of one case over a substantial time period permits us to follow both rhetoric and practice; theory and implementation. It enables us to trace the evolution of an ideology and its acceptance or rejection, to observe the way a certain managerial practice is formed and its effect on employment relations.

The case under study is Palestine Potash Limited (PPL), an industrial establishment founded in the 1920s. PPL was the largest industrial establishment during most of the period 1930-1948. Its foundation and operation reflects upon the complexity of the Israeli case. The study is based on archival documents collected by the researchers in three archives: Central Zionist Archive in Jerusalem (CZA), the Israel State Archive (ISA), and the Pinchas Labon Archive (PLA) which specializes in the history of labor in Israel.

In addition we collected articles and columns from five different newspapers. We also used biographies and personal memoirs of leading figures such as Moshe Novomeysky [32,33], who was the first general manager and Yehudah Kopolovich who was a leader of the workers' organizations at the plant.

(3) The Palestine Potash Limited 1920-1948

(3.1) General description

The efforts to establish an industry to exploit the natural resources of the Dead-Sea began in the early 1920s. Potash was a critical economic and political resource for competitive advantage in the world system. It was used as an ingredient in the production of explosives as well as for fertilizers in agriculture and provided bromine which was used for the improvement of gasoline. Apparently, the Dead-Sea was the only source of potash in the entire British empire – which colonized Palestine during the period 1917-1947 – and several economic actors competed for the charter to produce it. In 1924, a joint venture of Standard Oil, Du-Pont and General Motors together with the British Nobels Industries applied to win the charter. The transaction failed mainly since the decision was political in nature. In 1929, following the intervention of British aristocrats and Zionist Jewish leaders such as Lord James de Rothschild and Sir Alfred Mond, the charter was given to a Jewish entrepreneur, Moshe Novomeysky [32]. In order to earn the charter Novomeysky had to demonstrate that he was able to mobilize 100,000 Pounds Sterling. The money was collected from both private investors with purely economic motives and from Zionist sources. The charter was given for 75 years and reflected the political complexity in Palestine at the time.

The company – temporarily named the Palestine Chemicals Company – was registered in London under the laws of Great Britain [34]. Stocks were of two kinds: 35 % were Preferred Stock and 65 % were Ordinary Stock. They were owned by private investors (Lord Lytton, Ernest Tennant, Major Tulloch, Moshe Novomeysky, I.B Brodie, among others) and Jewish Zionist organizations from Europe and the United States. The proportion of ownership among the various groups was never determined precisely and was subjected to endless debates between the various constituencies. The British government

attempted to secure a minimum profit of 40%, constant taxes and a minimum production of potash to supply the needs of the British empire. The British also attempted to uphold the interests of the Trans-Jordan government by enforcing equality in the proportion of Jewish and Arab individuals working in PPL.

The complexity of capital ownership resulted in conflict of interests around the objectives of the company and its methods of operation. For example, the British owners were interested in economic outcomes. Jewish investors were torn between national goals and financial profit. Some of the Jewish investors believed that economic interests should be subordinated to goals of nation building. Other investors believed in the modernization thesis: that national objectives can be achieved through economic development. For example, the American Zionist group, led by Judge Louis Brandeis, favored the use of modern management techniques. In 1910, Brandeis was actively involved in the Eastern Railroad case and suggested that the railroads could save a fortune by applying principles of scientific management. Another important figure at PPL, Alfred Mond (later known as Lord Melchett), was also a dominant promoter of industrial rationalization in England during the late 1920s [35].

When Lord Lytton was nominated chairman of the board he allowed Moshe Novomeysky, the entrepreneur and the general manager, a substantial amount of freedom. Novomeysky applied a complex strategy. While he suggested to use economic means to promote national goals, he was clever enough to use nationalism to promote economic gains.

(3.2) Managerial problems

In 1933, PPL employed 450 workers, of whom only 240 were Jewish. In 1938 the number of Jewish workers rose to 647. At the end of World War II, the number of workers was at its peak. There were 1500 permanent employees in the plant, 150 employees were employed at the Jerusalem headquarters.

PPL faced three main managerial problems: (a) recruitment of skilled workers and stability of employment; (b) control of an anomalous workforce; and (c) low productivity.

(3.2.1) Recruitment. The site at the Dead-Sea was hardly attractive. It was located in a remote area with no Jewish settlement within a four hour drive, with no drinking water, and with an extremely hot climate. The external imposition of the charter requiring equality between the number of Arab and Jewish workers generated a recruitment problem. Novomeysky was able to recruit non-skilled Arab workers from the Beduin clans in the vicinity but he fell short of skilled workers, particularly when he established a second plant in 1933. The recruitment of Jewish workers seemed almost impossible mainly since there was an oversupply of jobs in the Palestinian labor market. As Novomeysky complained: "There are very few skilled laborers in Palestine in the sense of Western European or American standards. In the short period since industry was inaugurated in this country, skilled labor was not created in any

considerable numbers and those who have learned a trade or come from abroad are already settled in the few larger undertakings, like Palestine Electric Corp., Nesher, Shemen and Grand Moulin" [36]. The instability of employment was even more severe. Jewish workers who were already employed were liable to leave. Arab workers were employed in a temporal subcontracting system which resembled the "inside contracting" system in the U.S. in late 19th century [37]. Heads of households or tribal leaders were jobbers who recruited workers from their tribes. While Arab workers were relegated to the non-skilled jobs, the fewer Jewish workers enjoyed the more lucrative and highly skilled positions. However, despite the unattractive employment conditions, the Jewish workers occasionally attempted to acquire the jobs held by Arab workers. This was part of a Zionist belief that Jewish workers had to control all jobs, even if it worsened their own conditions.

(3.2.2) Control. The political power of the organized Jewish workers and their effective organizations posed difficulties in managing the firm. Workers had access to party leaders and various funding sources of the Zionist movement. Furthermore, labor unrest was widespread in Palestine from the mid 1930s to the early 1940s. A report issued by the local branch of the Histadrut indicated that the workers at PPL threatened management several times during the early 1940s on issues such as working hours, food, and sanitary conditions. However, despite the difficult conditions at the sites, and the oversupply of jobs (and therefore shortage of workers) in the market in general, there were no general strikes during the Second World War years, when potash was highly needed by the British Empire. After the war Novomeysky demanded more social responsibility from labor leaders in restraining labor conflicts [38], and as the productivity discourse became more prominent so did the labor problems. In 1946 the workers went on general strike over wages and productivity.

(3.2.3) Productivity. When the war was over, Novomeysky discovered that production costs were high mainly because of wages. A management consultant who was brought over at the board's request, estimated that productivity of a PPL worker was 50% lower than that of a worker in the same category in the United States. The monthly salary for a skilled worker in PPL would be equivalent to about \$ 360 in the U.S., a high figure by American standards. Under such circumstances, productivity of workers and efficiency in production were acute issues. Novomeysky pleaded with labor leaders to improve low productivity levels in PPL, particularly given the high level of productivity in the United States. The consultant recommended that "greater efforts should be made by management to eliminate every man, staff or rank, that could be safely spared." [30, p.11]. This contraction was justified rationally: "In Palestine, as in many other countries, U.K., France and the U.S., workers have to be convinced that the curtailing of payroll lists and wages is really justified, and that all proper measures were taken and tried before they were

asked to participate in the sacrifices.” But the consultant qualifies his recommendation. This qualification reflects on the political dimension of economics in Palestine: “knowing the Palestine labor condition, I do not have great illusions on the possibilities of such a drastic policy of deflation of the payroll list. Management risks meeting strong opposition not only from workers themselves, but also from trade unions and very likely from community governing circles, who are recruited mostly from trade unions” [30, p.12]. The consultant’s statement referred to one of the greatest anomalies in the history of labor: organized workers were often politically stronger than their employers. Furthermore, the legitimacy of manual work was stronger than the legitimacy of profit-oriented entrepreneurship.

Bendix [14], suggested that the evocation of managerial ideologies is closely connected with problems of control and domination. They provide the legitimation for industrial action and the social hierarchies that emerged out of it. In the United States, Rationality was perceived as progressive and above the give and take of political maneuvering. The logic of rationality corresponded to the supremacy of economic laws which ostensibly existed independent of social and political motives or cultural circumstances. Novomeysky faced problems of recruitment, control and productivity. But he operated in a context where the economic rationality of action (in the American sense) was illegitimate as an end in itself. It had to be grounded in a higher order justification, that of the “national needs”.

(4) The first pillar: the subordination of managerial thought to national objectives.

During the period 1920-1948 three American ideologies of employment management were prominent in the Western World: Industrial Betterment, Human Relations and Scientific Management. The first two focused on the emotional and normative aspects of organizations, the third on their rational components. In this section we explore the relevance of these ideologies to PPL. We find that to the extent that these ideas were imported to PPL, they were clearly subordinated to the national Zionist ideology.

(4.1) Industrial betterment and human relations

Industrial betterment (IB), also known as “welfare capitalism”, started in the 19th century and was the first identified model of managerial ideology [39]. It consisted of clergy, reformers and intellectuals who followed a European model that linked the progress of industry with “social responsibility”. Company towns, profit sharing, education and health services – implemented in plants such as Ford or Pulman – were justified with moral, religious and paternalistic rationales. Human relations (HR), rose in the late 1920s, and was grounded in the science of psychology [40]. Industrial betterment and human relations emerged as two different models of managerial ideology but in the 1930s, the period under consideration, it was very difficult to distinguish between them.

Since welfare capitalism was a strong industrial practice in England it was rather natural that Lord Lytton the chairman of the board in England, suggested to apply a welfare program in PPL, similar to the program that was implemented in his company, Central London Electricity Ltd. In a responding letter from September 1, 1944, Novomeysky accepted his offer and clarified that workers in PPL carried a wide array of benefits such as fixed insurance, provident and sick fund, annual sick leave, traveling costs, considerable subsidy to the kitchen and canteens, high sanitary costs, maintenance of the dwelling (lodging on the company's account) and even a local police for protection. These employment conditions came close to those under welfare capitalism and were congruent with the collectivist ideology in Palestine. Furthermore, Novomeysky adopted the paternalistic rhetoric of industrial betterment and human relations and recommended to "try to establish good relationship with the community of his workmen... that he should provide them with decent housing, look after their health and think of their future..." [41].

Despite these seemingly similarities, the idea behind practices of industrial betterment in PPL was more complicated than the philosophy that guided its application in the U.S. or England. Novomeysky understood the benefits that employers receive from practicing welfare capitalism: loyalty of workers, commitment to the firm, higher productivity, and a stronger control over labor. But his practiced capitalism needed to comply with the broader ideological context which was dominated by socialism and nationalism. Most benefits applied only to salaried workers, who were mainly Jewish. Arab workers were mostly part of the temporary help system. Benefits to Jewish workers were not presented as a strategy to manipulate labor but rather as a national goal, a step toward developing the Jewish labor force and its welfare. But Jewish workers were manipulated too, based on the same line of argument. They were often told that the firm – whose importance to national needs is undeniable – is under enormous hardship and therefore they should set aside their "private" demands. As Novomeysky told Lord Lytton regarding his welfare program: "PPL is still in its infancy and after the war it may have to take up a hard fight for its very existence" [6]. There is sufficient evidence to suggest that even the Jewish workers "understood" the difficulties that the firm faced. They were part of the same ideology and saw themselves as contributors to nation building. Often in the literature, political parameters are viewed as barriers to free economic enterprising. Here, we find to the contrary, that Novomeysky was not constrained by the larger ideological context, but rather used it to his advantage. Based on the employment structure, he gave more benefits to Jewish workers and yet denied benefits to them, using the same rationale.

What seemed to be a constraining structure – compared with the American field – provided in actuality, more degrees of freedom.

(4.2) Scientific management

Scientific management (SM) was developed in late 1880s in the field of mechanical engineering in the United States [42,43]. It focused on scientific

standardization and the rational dimensions of organizations rather than on the community of workers [41]. Novomeysky – a mechanical engineer with a demonstrated experience in mining in Seberia – was well aware of scientific management. In his article “Quo Vadis?” (“Where are we heading”) he acknowledged: “In the United States a new science has been developed under the name of ‘industrial engineering.’ It has been introduced as a separate subject in engineering schools and is functioning in special departments of large organizations, such as Standard Oil, Dupont, or Monsanto.” He suggested that “such an industrial engineering organization should be approached in the U.S. and invited to send out its experts for studying and advising our industrial undertakings...” [44]. Novomeysky also recommended the establishment of a Faculty of Works-Management at the Israel Institute of Technology, to be staffed with American experts assisted by experienced local engineers.

Novomeysky followed through on this statement by inviting American consultancy firms to visit his plants. In 1933, a consulting company, “Chemical Construction Corporation”, introduced modern engineering techniques of management to PPL. Another consultant was invited in 1947 [30, p.13]. The consultant’s report, under the title “Rationalization of the process of Potash extraction from the Dead Sea” concluded that “Palestine Potash Ltd. could adopt a system of general management common in the U.S.A.” [30, pp. 30-31]. This is because “considerable saving of time and money would result for any company that would provide itself with technicians trained in modern chemical engineering, such as those developed in the last twenty-five years in the United States”. The supremacy of American expertise was assumed in the consultant’s report: “In Palestine, because of German influence, chemical engineering has followed a pattern that could be called Central European. The science and technique were therefore of German making. It had its merits in the past, but it is now outclassed by the more modern American school. Unfortunately, while Palestine has a great number of good chemists, some of them of high reputation, there are only a few men with a chemical engineering training of sufficiently high caliber and practically none of American training”. The consultant concluded that “PPL is not an exception to this statement. Therefore, it is highly recommended to introduce into the PPL management and supervision structure, men who have been trained in the American type of chemical engineering. It is also recommended that the most gifted and capable men of the PPL staff should be sent to the USA for certain period of training” [30, p. 32].

Due to its capitalistic and individualistic premises, the American model of SM could not be simply transferred to the new setting. In the campaign to introduce scientific management to PPL, Novomeysky presented a strong nationalistic Zionist justification. An editorial in the important daily Ha’Aretz put it firmly: “Mr. Novomeysky is the entrepreneur and the generator of the most important industrial plant in our country. He is an engineer, and his perspective to industrial problems is not financial or commercial but mainly technical and scientific. He is a Zionist and a person with progressive socialist ideas”. In the editor’s eyes, Zionism gave Novomeysky the legitimation to apply

scientific management: “these virtues give his words special meaning which can not be dismissed. Certainly more meaning than words of Jews who do not believe in nation building or of governmental bureaucrats who deny the legitimacy of a Jewish State. His voice is Zionist, an experienced engineer who devoted his life to building an industry in Israel. He has no goal other than industrial development” [40]. Scientific management could not be introduced as an end in itself, or as just a means to increase productivity. To the extent that it was introduced, it was justified as a collective Zionist endeavor. A similar conclusion was reached by Guille'n [5]. He argues that Zuanzes, one of the promoters of scientific management in Spain, was an extreme nationalist who advanced Taylorism as an instrument to developing national economic forces.

This rationale set the stage to the introduction of nationalism as an integral element of managerial ideology. In the early 1930s, when PPL was established, managerial practices could not be justified with standard industrial ideologies prevalent in the West. Workers' commitment to productivity could not have been secured by focusing on monetary remuneration or time and motion studies, as Taylorism suggested. Likewise, the loyalty of workers could not have been mobilized by standard therapeutic practices, as the legacy of human relations suggested. PPL and its practices had to be synchronized with the narrative of nation building, and to fit with its symbols, institutions, and practices. Indeed, Novomeysky was careful to present his endeavors and plans within the framework of the dominant Zionist grand narrative and thus able to subject its principles to his own ends.

(5) The second pillar: nationalism as a managerial ideology

(5.1) Capitalist entrepreneurship as a Zionist practice.

Novomeysky's status as a legitimate industrial speaker was anchored in his Zionist motives. Despite the fact that PPL was a profit-oriented enterprise, he explained that his attraction to the Dead-Sea was not based on greed but rather on national objectives [45, 33, p.238]. He preached that industry, not only agriculture, should be added as an important vehicle of nation building. As he himself testified regarding the negotiations with Sir Alfred Mond and the British owners: “for in this matter (of the employment of Jewish labor) , they spoke – and I have not had a word of blame for them – first as company-promoters, and only secondly as Zionists, whereas I spoke first as a Zionist, only secondly as a company promoter ...” [33, pp. 167-8].

Novomeysky's authority was enhanced by his image as a pioneer. The pioneer was an authoritative speaker within the Zionist discourse. He/ she personified the basic principles within which the hegemonic discourse was anchored: Nationalism, Socialism and Collectivism. Similar to the American pioneers the Jewish pioneer (The Halutz) became legendary in the mythology of the nation, in literary forms, and in school curriculum. Henry Near [46], who compared images of the North American and the Pre-State Jewish pioneer argued that both groups needed to display toughness regarding new living conditions, climate, and the necessity of manual labor. These were foreign to the

conditions of their upbringing and to their previous culture. The Zionist pioneer, however, was not an individualistic hero like his American counterpart. He was neither the extravagant character of the cowboy driven by his innate wanderlust, nor was he motivated by capitalist entrepreneurial desires. The Zionist pioneer was portrayed as an ascetic figure, a part of a collective national organization which set as its goal, the conquest of new territory for a nation in building.

Despite the fact that the pioneer in the Zionist narrative was anchored in an agricultural orientation, Novomeysky described the establishment of PPL as a pioneering activity and attempted to blur the dichotomy between agriculture and industry. The struggle with forces of nature, the hardships of unsettled land, and the liability associated with newness contributed to this image. His efforts were successful. PPL was perceived as a pioneering activity within Zionist circles: "The intentions of this enterprise are not only toward the production of chemicals, but they are directed towards the pioneering expansion of a deserted piece of land" [47].

Labor leaders who maneuvered within the Zionist political structure accepted the same narrative. Kopolovich – a union leader with whom Novomeysky had a partnership-conflict relationship – supported Novomeysky's action. In a letter to Ben Gurion in 1943, in support of the firm in which he was employed, he stated: "National desire and hope were behind his entrepreneurship efforts... Zionist motives of nation building were the forces that mobilized influential people to support him. His struggle to receive the charter was a fundamental struggle over our legitimate national rights to develop the natural resources of our land..." [48]. And Novomeysky used similar words to congratulate his workers in 1939: "You are the first pioneers of this deserted piece of land..." [49]. When Novomeysky seemed to deviate from this ideology he was criticized. In 1944 the unions attacked the choice of London as the location of the board of directors. They expressed skepticism regarding the Zionist motives behind the decision and suggested that its leaders preferred British and capitalist interests rather than national [50]. Kopolovich appealed to the Histadrut to reduce British control of the firm by generating Jewish capital. He used the same ideological language used by Novomeysky and criticized the management of the firm: "Jews established PPL.... but today they emphasize the international rather than the national aspects of the company".

The presentation of PPL as a Zionist practice was sometime problematic. PPL was a British corporation and had a heterogeneous ownership structure. Only a fraction of its directors and capital represented Zionist interests. Furthermore, the charter given to PPL committed its management to non-Zionist objectives: the production of Potash to meet the needs of the British military and the employment of Arab workers. Furthermore, the firm had to preserve its British character in order to secure the cooperation of King Abdallah of Jordan. Within this context Novomeysky alternated between British capitalist symbols and Zionist discourse. Despite the possible contradictions between these two narratives, they were combined in a way that

allowed him more room to maneuver. In the following we use three rhetorics to demonstrate the double usage of these two seemingly contradictory narratives.

(5.2) Conquest of the land as a practice of welfare capitalism

Land had to be conquered in order to establish a Jewish nation. In the early 1930s, the strategy employed by the labor movement still foresaw a non-military form of occupation. The conquest of the land was accomplished through Jewish settlements such as communes (Kibbutzim) and collective villages. Novomeysky needed land in order to build the plants, and later to provide housing for his workers. However, he defined this need in different ways, depending on his audience. To the Zionist organizations and its Jewish employees the conquest of the land and the establishment of rural villages were presented as integral part of nation building. To the British government, the board of directors and the private founders, PPL presented the settlements as a standard practice of welfare capitalism. He argued that these practices ensure greater commitment, loyalty and increased productivity.

An important symbolic resource for the company's rhetorical battle around the land had already been established when the founding fathers of the Zionist movement defined the Dead Sea as a desirable area for settlement. When Novomeysky faced difficulties in purchasing the territory for the plant from Mr. Haseboun, the Arab land-lord, he appealed to Zionist leadership. He attempted to convince his addressees that the establishment of PPL was justified as a Zionist practice since it was conducive to the development of future Jewish settlement in the area. He argued: "If we take into consideration the fact that no piece of land in Trans-Jordanian, which has just come under the full political control of the English government, belongs to Jews, and that no Jewish inhabitation can be found there, we realize how significant is Mr. Haseboun's proposal to Jewish national interests" [51]. Without the identification of the company with national goals, Novomeysky could not have expected help from the Zionist leaders. The reply, signed by H. Smallwood, the financial secretary of the Jewish Zionist Organization, accepted Novomeysky's arguments and promised financial support [52]. The idea of forming an industrial Jewish settlement in the middle of nowhere was appealing. It was unlikely that many Jewish workers would settle in the area without such cause. In May 1934, Novomeysky welcomed new workers in so many words: "We are congregated here in order to resume a new era in our enterprise – the conquest of the dessert" [53, p. 280]. In 1937 he acknowledged that: "the impossibility for Jews to acquire land become a matter of anxiety and great concern to me, who is responsible for the first industrial operations in this region. It is obvious, that if another year or two is allowed to pass, a great part of the land will pass into the hands of Arab owners, from whom it will not be so easy to buy it" [54]. Kopolovich, the union leader, saw the project in the same terms: "When we went into the desert of the Southern Dead-Sea to establish the second plant we saw a future ahead of us. It was a departure point for the spread of Jewish settlement to the east..." [55]. Or elsewhere: "we see the Dead-Sea as charter for the Jewish people... We believe

that we are here to determine the country's borders" [56]. Novomeysky himself argued that "there must be an inducement that will encourage them to want to stay over a long while. This temptation is a piece of land which they could nurture and inhabit with their families", acknowledging that "the kibbutz is the main supplier of workers to the Southern plant" [57].

Two settlements were established eventually, including a neighborhood (Rabat Ashlag) and a kibbutz (Beit Ha'Arava). The two settlements enjoyed substantial amount of financial support from the company resources. The struggle over their establishment reflects on the ideological work of Novomeysky. Novomeysky realized that "in view of the composition of the board, I could not possibly approach it for authorization of an expenditure of up to 10,000 pounds to acquire land for settlement of Jewish workers", but he knew that Jewish institutions "would be impressed" by the creation of the first Jewish settlement in Trans-Jordan" [58].

Indeed, when the idea to form the settlement was first presented to British officials, they expressed their objections. What followed was a consistent attempt to use the rhetoric of welfare capitalism. Novomeysky attempted to convince them that the establishment of a "company town" is a necessary practice in this age of industrial capitalism. Most of the foreign partners were familiar with these ideas already. Britain and then the U.S. were the seed-bed for industrial betterment since the period of Robert Owen and his followers. It was perceived as a good managerial practice and an effective strategy to secure the commitment of bewildered employees. It was indeed necessary as Kopolovich convincingly stated in 1943: "with the presence of insecurity among the workers regarding their future, they developed a propensity to leave the place. The plant does not provide the necessary guarantees for stability..." [58]. Kopolovich added that the establishment of the settlements will ensure that workers will find cohesiveness and security in the industrial plant.

To the British, Novomeysky cast the entire project within capitalist terms. He capitalized on the fact that potash production needed to be increased during the war. He wrote to the supervisor of industrial affair Mr. Shaw, that stable family life in a company town would help to increase efficiency and productivity [59]. He also wrote to the representative of the British government in Jordan: "we are aiming to prevent the exodus of the best workers which in turn will lead to the dissolution of the entire project which was a crucial source for the production of gun powder" [57]. He turned to Lord Lytton and suggested that the Kibbutz will maintain a steady supply of food to the workers, thus preventing deprivation due to the war. It will certainly help meet Britain's war objectives. This rationale helped convince Lytton of the necessity of Beit Ha'Arava [60].

To the Jewish workers, Novomeysky presented a different rationale. He wrote to them in 1946: "In time you will find out about our efforts to solve the problem of Jewish settlement in the area, a problem which touches our heart ..." [57, p.118]. And the workers responded with appreciation. They considered him as a friend and a brother not their employer. They acknowledged his contribution to the blossoming of the desert area and asked him to continue his role as a Jew

and a Zionist in bringing life to the area [57, p. 104]. Two of the main functionaries of the Kibbutz acknowledged that he was not simply another executive, but approached his job with an additional “Zionist twist” [57, p.119]. There was wide agreement in the Jewish circles that Novomeysky’s main goal was to help the Zionist movement.

From the available documents it is clear that the settlement of Beit Ha’Arava yielded economic successes for the company. In fact, workers acknowledged that they refrained from unrest during harsh periods since they saw themselves as members of a national movement. They argued that hardships are common for everybody and they all must give their faire share [61, p. 130]. In retrospect it is rather clear that the evocation of national objectives tied the workers to the plant and prevented severe labor struggles. In sum, Novomeysky played a double rhetoric. To the Jewish constituencies he presented the settlements with the rhetoric of the conquest of Jewish land. To the foreign constituencies it was presented as a practice to increase the productivity and loyalty of workers.

(5.3) The conquest of Jewish labor as a strategy of labor control

Labor was another Zionist symbol. It was considered the instrument through which the revolution to establish a Jewish nation would take place. Thus, the demarcation of Jewish from Arab work was a major goal for political struggle. Jewish workers themselves struggled to be preferred by Jewish employers even when their wages were higher and their productivity lower than Arab workers. As the labor leaders acknowledged: “... , when we joint this plant we had a mission of conquering Jewish work ...” [62]. To remind the reader, the British charter dictated an equal number of Jews and Arabs in the firm. However, it had originally been easier to recruit Arab workers who were available in the vicinity. Jewish workers that were recruited made a big sacrifice. They made it all the way to the Dead-Sea to find out that many of the jobs were often given to Arab workers, that their wages are lower than what they expected, and that profit consideration took precedence over the “Zionist interest”.

This posed a threat to the economic security of Jewish workers. In 1937, union leaders discovered that Novomeysky would not allow expensive Jewish workers to load Potash. Kopolovich was disappointed at the employment of Arabs and responded with anger. He argued that the Histadrut can not afford to surrender the rights of the Jewish workers and promised to fight back. The workers paid a high price for this struggle by lowering their own wages to the level of Arab workers. As Kopolovich and his fellow workers acknowledged: “So far, the company recruited cheap labor to these jobs... now, we are doing the jobs, their wages are low, but we accepted it with satisfaction...” [63].

The struggle was used to antagonize the firm in the daily newspapers. Sympathy was clearly with the workers: “PPL continues to boycott Jewish workers” [64]. Novomeysky defended his practices. He claimed that Jewish workers were not as committed to their work as the Arab workers were. He found the Jewish worker to be inferior, spoiled, and to regard his work only as

an instrument toward the achievement of a bourgeoisie life style. He blamed them with slow performance, even sabotage of work in order to gain advantages. In a comparative perspective, it was a classic case of split labor market.

Bonacich [65, 66], Doeringer and Piore [23] and others [21,19], developed the concept of split labor market, and described the efforts of higher priced workers to prevent the entrance of cheaper labor into the primary labor market. Bonacich used this analysis to explain the rise of ethnic ideologies. The strong workers, those who know the language and participate in political processes, use nationalist or racist rhetoric to preserve and improve their own working conditions. In so doing, they attempt to prevent minority workers from competing with them. Using the rhetoric of nationalism Jewish workers in Pre-State Palestine attempted to colonize the entire labor market, not only the primary sector. In order to compete with cheap labor, Jewish PPL workers were willing to work under harsh conditions with the salaries of Arab workers. This was possible since Jewish workers lived in a commune, the kibbutz, and the financial burden was shared by all workers. The members were people with high political conscience, strong national beliefs and socialistic background. This arrangement enabled the group to allocate members to work for low wages without lowering their standard of living. Thus, the competition between workers in a split labor market served the interests of the employers by reducing the wages of the strong workers. In our case, the struggle of the Jewish workers to conquer the labor market enabled employers to increase productivity with low wages.

We argued that PPL's managers enjoyed the complexity of labor composition. The firm employed skilled Jewish workers and justified their recruitment using the national rhetoric of Jewish labor. Novomeysky employed non-skilled but cheap Arab labor and justified their recruitment in terms of practicing good faith vis-a-vis British officials. In essence, he was able to play one group against the other. Arab workers were used to cheapen labor cost and to limit the power of organized Jewish labor. Jewish workers increased the legitimation of a capitalist enterprise to be considered as part of nation building. The employment of Arab workers was justified in terms of the firms relationship with British and Arab constituencies.

(5.4) Industrial productivity as a practice of nation building

The productivity discourse reveals another dimension of the rhetoric alternation between nationalism and managerialism. The Anglo-Saxon world emphasized the rational-scientific and individualistic concept of productivity - a notion based strictly on efficiency and profits. The Zionist discourse referred to productivity as a collective construct, as a component of national redemption. The main idea was to transform the Jewish people into a productive, as opposed to speculative, society. Productivity was to be materialized through physical and agricultural labor. It was accepted as a national practice and was

emphasized as such in the early Zionist writings [67]. As a collectivist rather than individualistic idea, it was expressed almost in religious terms.

PPL's ideological work juggled between these two different genres: the rational scientific one, which was a "natural" part of managerial ideology, and the affective concept of productivity, which was saved to pioneers in their mission of nation building. The ideological work had two faces: mobilizing nationalistic enthusiasm to further economic ends, and mobilizing the rational discourse to further nationalistic ends.

The standard economic notion of productivity, was central to PPL's agenda. From the very beginning competitive advantage was dependent on productivity. Early data revealed that the production of the average PPL worker was lower than comparable figures in otherwise similar establishments in Spain, Germany and the United States. As Novomeysky said in "Quo Vadis": "Our difficulty in Palestine is the very low productive efficiency of labour. Every observer and expert on labour output will testify that, with some exceptions; our productivity on the average does not exceed 60-70% of the expected normal output of a worker in an 8-hours day...". Novomeysky's concern regarding the low productivity is evident in his letter to the chairman of the board, Lord Lytton on July 23, 1944. In this letter he states that he instructed his senior staff to improve the modes of production in order to reduce production-costs in normal times, and to restrict the ever growing labor costs.

Furthermore, it should be remembered that several directors of the company belonged to the Brandeisian Zionist group (known as "the American Fraction"). Brandeis was fond of Taylorism, and in fact he was the one to label it "scientific management" during the debate around the railroads rates [42,43]. Brandeis believed that the Jewish state should be established using scientific practices such as those suggested by Frederick Taylor in the American context. Eventually his philosophy was rejected by the European representatives of the Zionist movement. It was a battle over symbols in the ideological work. Novomeysky's strategic action within this ideological crossfire was to use it opportunistically. It is not productivity in its ontological sense that mattered. It is the production of symbols, the prisms through which productivity was sold as a practice that mattered. His struggle was to portray the cost-benefit analysis as an important instrument to achieving national goals. After laying out the data on productivity difficulties, he warned: "unless the Histadrut takes in hand this burning question, the great discrepancy between our high labour cost and low productivity will not only prevent further development but kill the existing industry" [40, p.11-12]. Thus, Novomeysky presented productivity as a problem for the Zionist movement as a whole and as a necessary condition for the development of a "national industry" and the economy of Jewish Palestine. A similar strategy was pursued by American industrialists during the WWI, when the push for efficiency became a test of national patriotism. The practice that extends the definition of nation building to include increased productivity had the same effect.

Novomeysky's argument was well accepted. As the editor of the central daily Ha'aretz acknowledged: "We must confess that the workers – who up to a few years ago used to ignore the problem – now well understand the risks associated with low productivity" [38]. The Histadrut leaders accepted the challenge and joined up to this effort. Mintzberg, a union representative who was sent to promote the idea of productivity among workers, describes it in 1945: "I emphasized that the workers' organization should not put down the notion of productivity. We realize that there are plenty of defects in equipment, in the organization of work, in the coordination between departments, and in the adequacy of workers' skills. All these have an effect on workers productivity. We need to work together to improve these deficiencies" [68].

Documentary provides sufficient evidence that the workers themselves adopted the rhetoric of productivity, partly in order to protect their own interests. As was earlier the case, the notion of the conquest of the labor market was a key issue in the productivity debate.

Productivity-increase and work-ethic were basic conditions to preserve the achievements of conquering the land. Failure to produce would jeopardize the national struggle. In protocols from workers meetings there is evidence in which workers were reprimanded for not being sufficiently productive, and statements that lack of productivity poses a threat to the Zionist project. Kopolovich himself was described as the one who, despite his personal reservation of the idea, promoted the system of direct relation between productivity and payment in order "to enable the Jewish workers to reveal their vigor and commitment to the work". The Histadrut's main leaders joined this activity. One of them, Eliezer Kaplan, in a letter to Julius Simon, a member of the board of directors, described his plan to collaborate with PPL managers in order to increase productivity. "But, to my grief", he concludes, "I could not find support on the employers' side". [69]

The success of PPL to make the productivity discourse central and legitimate in the eyes of the workers is an important aspect in the ideological work of the company. For years this discourse helped facilitate the commitment of the workers to high working standards. In 1947, the company increased its productivity to the rate which enabled it to distribute, for the first time, a 5% dividend to its share holders [70].

To be accurate, the pressure to increase productivity was not always legitimized. For example, the workers' magazine published the following criticism regarding the manner in which workers were employed: "the organization machine has no feeling. They say that product is the most important thing. 'Product' and 'Productivity' became the repeated daily pray among department heads and general managers. 'Products' whistles the freight car, 'product' crunches the locomotive and 'product' declares the accountant" [71]. When the "rational discourse" on productivity seemed to have triumphed, workers turned to their own interest even at the expense of the national interest. In 1946, when the discourse on productivity was at its peak, the workers declared a strike over the company's demand to increase productivity with no

wage increase. It was the longest strike that ever took place at PPL. These exceptions emphasize our main point, that in order to legitimate its campaign to boost productivity, PPL's executive could not rely on simple "rational-scientific" grounds as espoused by managers in the West. They cast their demands, using the meaning of productivity within the Zionist discourse. Nationalist ideology enabled Novomeysky and his friends to garner resources, to mobilize political support and to ensure a stabilized productive workforce. Even though there were cleavages and differences among the workers in receiving and internalizing these ideas, it became the dominant ideology. In the most general terms we can safely argue that the company was able to strengthen its position through its association with the nationalist project.

Epilogue

Mainstream perspectives in the study of managerial ideologies concentrate on models that emerged in the American scene. Despite the theoretical and empirical merits associated with these models, they have several biases upon which we wanted to reflect. This study offered an inquiry of managerial ideologies under changing historical and geo-political contexts and provided an opportunity to better understand the development of management and industry outside the Western context.

In his attempt to trace the sources of managerial models in Russia and the USSR, Bendix [14], presented alternative models to those in the West. In these countries, as well as in other Eastern European countries, Bendix looked for ideologies that emerged under non-capitalist conditions. There, industrialization seemed curtailed, and industrial discourse was based on different premises and logics of justification. Bendix argued that different types of legitimation processes operated in West and East. In the West, legitimation was derived from the rights of successful industrialists to protect their capital and maximize their profits. Legitimation, thus, was derived from ownership of the means of production which were perceived as the (legitimate) outcome of talent and hard work. These achievements were attributed to the ability of individuals rather than to the structural and political conditions that facilitated them. In contrast, in non-capitalist societies individual achievements were attributed to representatives of the collective. The justification for the domination of a minority over the majority was grounded in the subjection of the ruling elite, as well as of the silent majority, to a higher order cause or reason. The minority represented the common interests for all constituencies and parties.

Nationalism, similar to communism or Czarism was and still is a collective ideology. The subjection of capitalists and workers to one overriding ideological framework – the Communist party, the Czar and the nation – blurs the contradictory interests of these groups. In our case, this ideology set the condition for a private firm, and its owners, to be conceived as legitimate representatives of the nation's objectives and to win political and economic support for their industrial initiatives.

The association between national ideologies and industrialization is not surprising. Scholars in various fields such as sociology, history, philosophy, and political science pointed out to the fact that “industrialization” and “nationalism” were conceived in the same social, political and philosophical context. In 19th century Europe, industrialization was the engine of modernity. The expansion of the principle of liberal democratic nations was perceived as the main political principle to facilitate the relationships between nation-states and their populations and to create coherent labor markets and stable civil order. Nationalism turned also into an emotional ideology to create a sense of belonging in modern individualistic society. Modernization theorists such as Eisenstadt [72] and Smelser [73] viewed nationalism as an engine of social solidarity, particularly in an era when social change threatened such solidarity. Industrialization and mechanization broke the older political and social order and facilitated new social arrangements. Likewise nationalism changed the territorial borders of ruling centers and the political relationship among them. Both were complementary conceptions of modernity. Indeed many scholars see nationalism as a necessary condition for the development of industry.

Ideas, however, are carried by people and groups. Different carriers in the history of modernity have carried these ideologies of nationalism and industrialization. The attempt to identify such carriers who use the ideas to their advantages is based on the assumption that nationalism is an ideology which constructs and reproduces the realities of different groups who competed in the political and cultural fields of symbols. This approach does not overlook the integrative role of nationalism. On the contrary, it emphasizes this role but views it as part of a struggle for legitimation. In the Israeli context the historiography has tended to attribute the development of nationalistic ideology to the organized workers and their political parties. The political leaders of the working class, as well as their aspiration to conquer the land, are portrayed as the agency behind nationalist ideology. Industrialists were perceived as putting their own individual interests prior to national objectives. The case of PPL demonstrated otherwise. It shows how industrialists benefited from the expansion of the nationalist ideology and contributed to its diffusion. This realization is rather absent in the historiography of the Israeli society.

However, despite the fact that our analysis supports the argument that nationalism served capitalists, we do not adopt the Marxian theoretical assumptions. First, we also argued that capitalism served nationalism. Second, we do not argue that an ideology is either false or true as the Marxist perspective implies. It can be “true” and yet serve as an ideology. Thirdly, we are reluctant to make deterministic arguments about ideological analyses but rather suggest to look for the idiosyncratic characteristics of a society. In fact this was the ground upon which we rejected the American ideologies of management.

This study should be viewed as a beginning of an effort to study managerial ideologies outside the West. Further work need to determine to what extent these findings are generalizable to other firms or societies. The poverty of the

managerial field in Palestine, a finding in and of itself, does not enable us to provide a more conclusive argument about the dominant discourses, and trends in managerial practices in the society at large. More studies should combine firm level and industry-level analyses to complete this rather interesting puzzle.

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