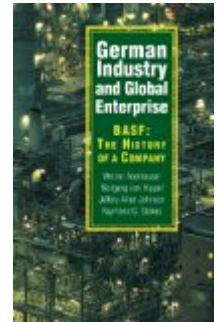


**Werner Abelshauser, Wolfgang von Hippel, Jeffrey Allan Johnson, Raymond G. Stokes.** *German Industry and Global Enterprise: BASF: The History of a Company.* Cambridge: Cambridge University Press, 2003. ix + 677 pp. \$75.00, cloth, ISBN 978-0-521-82726-3.



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Corporate sponsorship of business histories has raised concern that professional historians are "guns for hire" and that the temptation is so great that we neglect the rigorous research standards of the profession. Did the company dictate the contents of the monograph or restrict access to archives? Did the company demand the right to edit the final work? In addressing these concerns, the editor and contributing author of this volume, Werner Abelshauser, assures us that BASF (Badische Anilin- and Soda-Fabrik) had no influence on the production of this book; the fact that Cambridge University Press published the study lends the monograph further authenticity. The contents of the publication give us no reason to question the veracity of the authors, but it is regrettable that the majority of their primary sources *only* came from BASF archives. The footnotes do not indicate that the authors delved deeply into state or federal archives, let alone made use of newspapers or other sources. Therefore, this massive study of BASF serves as an "initial product" for historians to conduct further research in order to

complement the breadth of this study under review.

The work is neatly divided into four major areas; this organization cuts down on overlap or duplication. The narrative flows seamlessly from one section to the next. Wolfgang von Hippel tells us how the company was founded. Jeffrey Allan Johnson reveals how BASF's culture of technology took root in the period 1910-25. Raymond G. Stokes examines BASF's contributions and influence on the era of IG Farben through its break up after World War II. And Werner Abelshauser brings the history of the firm up to date by analyzing its re-founding through the 1990s.

The unifying theme of this multi-authored work is corporate culture, which is briefly defined as "rules and norms that shape how people think and behave in an organization" (p.3). Analysis of corporate culture is largely achieved by examining the impact of leaders on the company over time. Von Hippel focuses on founder Friedrich Engelhorn and the ways his entrepreneurial skills contributed to the foundations of BASF. Engelhorn recognized that the byproduct of bottled gas, coal

tar, could be used to make artificial dyes. He had the foresight to buy land for future expansion; he hired knowledgeable chemists who were given incentives to expand the product line; and in order to cut costs, he began the vertical integration and diversification of the firm that would allow it to weather more difficult economic times and cut costs. These practices became an essential feature of BASF's operations throughout its existence. During the twentieth century, this approach to production became known as the *Verbund* system. In it, all plants were interconnected so that a multitude of products could be made from a relatively small number of raw materials and their by-products.

The authors see the development of corporate culture largely as a monolithic process beginning at the top. Therefore the firm's history is portrayed as the Engelhorn era, which gave way to the Heinrich Brunck era, to the Carl Bosch era and then to Otto Ambros, Carl Wurster, Bernhard Timm and now Jürgen Strube. In fact, Abelshauser refers to some of these directors as "crown princes" to emphasize how they were groomed for chair of the directorship. By focusing on these individuals and a handful of others (such as Carl Ludwig Müller, August von Knieriem, Fritz ter Meer, Carl Krauch, Matthias Seefelder and Hans Albers), individual agency of a small group of men is given high priority. Readers will be left wondering whether or not middle management or laborers influenced the culture of BASF from the bottom up.

At BASF, power has consistently been concentrated in the hands of a few, which has led Abelshauser to describe the governance of the firm as "enlightened absolutism" at its best because the management remained broadminded (p. 379). Although top managers may have epitomized the entrepreneurial spirit, middle management failed to meet these expectations by the 1970s. Personnel policies shaped by the corporate culture at BASF dictated that the managing board,

or at least its chairman, should have been socialized within the firm. This inbreeding of leadership represents one of BASF's greatest strengths and perhaps greatest weaknesses. When the firm encountered financial difficulties from the late 1960s to the early 1970s, the leadership had difficulty adjusting to the changes that consultants recommended (and presumably middle managers had even more difficulty). At what point did this "utter provinciality" (p. 474) begin if it hit crisis proportions in the 1960s? Moreover, inbreeding may explain the failed efforts to expand the production of goods into "consumer products" in the post-World War II era (p. 610), in other words, goods sold directly to the consumer, not to other companies. Yet, out of the crisis, BASF undertook its most significant reorganization since joining IG Farben in 1925. Increasingly profit planning, as advocated by finance officer Rolf Magener, shaped production priorities in preference to the existing science-based model. Subsequently, while research and development in the firm remains important, after the restructuring, chemists no longer enjoyed the privileged position of earlier decades.

Corporate histories can easily devolve into boastful lists of accomplishments, but the authors avoid this pitfall. Still, one gets the sense that they tread carefully around sensitive subjects. Or is it that they simply fail to explore how larger contexts (especially politics and environment) may have shaped BASF corporate culture because of the heavy reliance on corporate records? For example, when von Hippel writes about labor relations before World War I, the management is simply described as typically authoritarian (p. 110). The massive explosion at the Oppau works in 1921 is described fully, but because BASF was never held legally responsible, Johnson provides little insight on how top management viewed the tragedy. Instead, we learn that attempts to compensate families for the deaths of relatives became worthless as a result of the Great Inflation, which was a source of "discontent and mistrust to-

ward the firm" (p. 198). When Stokes examines the National Socialist era, we gain little insight into how Nazism may have infiltrated the leadership of the firm (now the Upper Rhine group of IG Farben), or (perhaps more significantly) how it influenced middle management and scientists. Nor do we learn whether or not this movement had an impact on corporate culture. Moreover, with respect to the highly controversial issue of hiring forced laborers at the plants in the Rhine group, we are simply told that group managers "participated actively in the design and implementation of a disciplinary system that was particularly disadvantageous to the eastern workers" (p. 328). Stokes acknowledges the criminality of utilizing forced and slave laborers, yet those involved remain nameless, faceless. Although Stokes concludes that BASF would be compelled to strike a "balance between technological, commercial, and human considerations" (p. 361), this theme is not developed by Abelshauser in his discussion of corporate culture in the re-founding of BASF.

*German Industry and Global Enterprise* is informative. Business historians will certainly find it useful as a micro-study that provides insight into how this massive chemical concern developed and maintained a market for its goods for nearly a century and a half. Comparative analysis with other corporations has been facilitated by this massive study. Readers who are not inclined towards the sciences may find the technical aspects of research and development and the variety of applications for BASF goods daunting. On the other hand, historians of science will undoubtedly find this exploration into one of the major benefactors and contributors to the Second Industrial Revolution fascinating reading.

If there is additional discussion of this review, you may access it through the network, at <https://networks.h-net.org/h-german>

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