

# THE REMEMBERERS

*As companies begin to realize the value of the past, is history becoming a growth market?*

Canadian Business - October 11, 2004

By Matthew McClearn

It's not hard to notice something unusual about the manicured grounds of Manulife Financial Corp.'s downtown Toronto offices. Parts of the lawn are so tightly clipped that they put most golf greens to shame. Most employees at the insurance and financial services giant probably don't know — or care — where it came from. But Donna Murphy does. "Our first groundskeeper knew somebody at a golf course in Scarborough," she explains. That person suggested Manulife seed its grounds with Kentucky bent grass, and the grounds-keeper took his advice. That was 1926.

It's Murphy's job to know this stuff. She spends much of her day locked in a windowless room deep in the basement of the south tower of Manulife's Toronto campus. Hers is a world of ancient annual reports, photographs, advertisements dating from the 1920s, board minutes, the odd insurance policy covering a person long deceased, and a cancelled \$5 cheque made out to Sir John A. Macdonald for board fees — the detritus from 117 years of enterprise history. Murphy is a professional archivist, one of perhaps two dozen employed by Canadian corporations.

If she had free time, Murphy could wile away the hours leafing through the company's oldest photographs and documents. "For me, history is more interesting the further you go back," she says. "Anything after the Industrial Revolution is current affairs to me." But she is no thumb-sucking academic, nor is the south tower made of ivory. She fields requests from all corners of the 20,000-employee company, hunts for the appropriate materials and distributes them to her clients. Her take on this job is unsentimental: "Our primary focus is in supporting the company in achieving its business goals."

In 1916, Henry Ford told the Chicago Tribune, "History is more or less bunk." It's an attitude found in many corporations. Some high-profile management theorists are openly hostile toward historical study, deeming it a recipe for obsolescence. Tom Peters, for one, asserts that forgetting is the first task of any good leader. Today's corporate heroes are saluted as visionaries" people who define the future of business rather than those who dwell on its past. While every business produces documents, the storage and management of those records often takes a back seat to other prerogatives. Some businesses purge documents regularly to reduce the risks of litigation. And when need arises, corporations can always hire a growing industry of outside consultants to help them recall particular facts.

But Murphy and her fellow archivists are struggling to convince the business world that corporations can't afford to forget what they've done or why they've done it. "For me it's self-evident, so it's really hard to describe how there's value in what we do," she says. "People either get it about history or they don't." Manulife and a handful of other Canadian companies have found that intimate knowledge of the corporate past can be an important competitive advantage - albeit one affordable only to the largest enterprises.

Murphy's job is so cloaked in secrecy, you'd think it involved assassinating competitors. Manulife typically doesn't broadcast the existence of its archives, in part because it doesn't want to be deluged with public requests. Murphy is frequently asked to pull historical information for use by its legal department, or for important decisions being made at the highest levels of the corporation. During an interview with Canadian Business, her responses were cautious; at one point she left the room to consult with a public-relations representative before answering.

In his 1998 book, *Corporate Amnesia*, British business historian and knowledge management theorist Arnold Kransdorff wrote that

"institutions – from bankers to manufacturing companies, traders and service organizations – are losing their organizational knowledge at a rate that is greater than their capacity to retain it." Perhaps not surprisingly, other practitioners of business history concur. According to the Society of American Archivists, "not so long ago, most companies had good corporate memories. Today, most do not."

Both Kransdorff and the Society of American Archivists lay blame primarily on an increasingly flexible labour market. Kransdorff says the more stable employment relationships of the past have been abandoned; companies adjust workforces rapidly according to the dictates of efficiency. Meanwhile, increasingly mobile workers cram more job titles and employers into their working careers than ever before, throwing loyalty to the wind.

The extent of that phenomenon is hard to assess. Job tenure in the United States and in most European Union countries has fallen only modestly in recent decades. Statistics Canada's labour force survey shows the average job tenure here has increased from 83.7 months in 1976 to 98 months in 2003. Kransdorff's notion, however, is that when employees and managers change jobs, they take with them experience and organizational knowledge that is not easily replaced. And he believes the long-term implications are devastating. "The dramatic shift in the nature of employment towards short enterprise tenure," Kransdorff writes, "has become one of the single biggest damaging influences on productivity and competitiveness in companies today."

Few would dispute the adage that to forget one's history is to be doomed to repeat it. But archivists and historians draw paycheques. An archive typically occupies considerable office space, and requires further costs: its climate must be controlled, for example, and acid-free boxes and folders should be used to preserve the documents. So business archivists often find themselves on the losing end of cost-benefit analysis.

Few Canadian corporations have troubled themselves with meaningful efforts to preserve and benefit from their histories. The array of companies operating archives south of the border is dizzying: Microsoft, Ford, Delta Air Lines and AT&T being just a small sample. In Canada, there are only a dozen or so. Among them are Canadian Pacific Railway, Bell Canada and most of the largest banks and insurers. Yet even corporations that have previously seen the wisdom of maintaining archives have purged their memory wholly or in part. One popular method is to hand them to a university or government archive. In 1994, Hudson's Bay Co. donated its archives – which contain documents dating back to 1670 and have been valued at \$60 million – to the Archives of Manitoba; Canadian National Railway sent its own to Library and Archives Canada about five years ago. Canadian Tire recently gave a large portion of its holdings to the University of Western Ontario. (We asked why, but talking history was evidently low on Canadian Tire's list of priorities. "With our current focus and resources available, we're not in a position to be able to help out on this one," said an apologetic spokesperson.) With a public donation, a corporation can at least rest assured that historical materials are not destined for the furnace. But Stephen Salmon, business archivist at Library and Archives Canada, notes that corporate use of an archive typically falls off sharply after a donation.

By forgoing the costs and headaches of retaining historical material, companies sacrifice tangible benefits. Old photos and advertisements can be useful in drawing up new marketing campaigns, for example. Then there's litigation. In environmental liability cases, it can be handy to have the history of a contentious site at your fingertips. When defending patent rights, a company may want to demonstrate ownership of an idea.

Manulife's formal archives began as an effort in celebrating company history. In the mid-1970s, a Manulife vice-president began interviewing retired executives and board members and collecting documents. The idea was to compile material that could be used to celebrate the company's

centennial in 1987. Many companies have seen value in such exercises. Products include Cara Holdings Ltd.'s *Cara: 100 Years* (1983), Royal Bank's *Quick to the Frontier* (1993), Sun Life Assurance Co.'s *The Path of the Sun* (1996) and countless other internally generated texts. Such books can help employees understand their company's history and culture. All too often, however, internally generated histories amount to little more than monuments to corporate vanity, failing to meaningfully examine lessons learned and mistakes made.

Manulife's archival efforts amounted to more than that. It hired its first full-time professional archivist – Murphy – in 1993. Public-relations assignments remain a significant component of her efforts, but other tasks offer compelling examples of how Manulife makes use of history. One she can talk about fell to her in the early 1990s. Manulife was attempting to re-enter the Chinese marketplace – it had gone there before, in 1897, but ceased operations in 1941 as hostilities grew in southeast Asia. "The Chinese government wanted proof we had actually done business there prior to the Second World War," Murphy says. Board minutes wouldn't cut it; officials wanted insurance policies with Chinese policyholders and correspondence with Chinese regulators. That material, fortunately, was available from the archives. Manulife became one of the first foreign insurers to enter China.

RBC, too, has found uses for its archives outside public relations and marketing. Beth Kirkwood, RBC's head archivist, has worked there since 1985 and supervises a staff of three others. (Like Manulife, RBC isn't eager to field public requests, and will say only that its archives are located "in the greater Toronto area.") Some of their work involves assisting other bank employees determine where branches should be located. "We provide them with information on all locations where branches have previously been situated," she explains. "They look not only at branches that have opened and closed, but sometimes we physically move branches around because a lease expires or client demographics change."

One of the unit's most popular services is historical interest rate support. The Bank Act requires banks to keep track of rates assigned to their various products and services. When RBC's website entered service, in 1995, it provided an easy method for clients to communicate with the archives. Soon, Kirkwood and her colleagues were fielding 3,000 requests a year for past interest rates. To handle that traffic, says Kirkwood, "we built an intranet site, and we have complete histories of all products' interest rates on that site." That site not only allows the archivists to focus on other tasks; it also gives branch employees a tool they can use to build relationships with customers.

Not all is lost when corporations and other organizations offload history. One alternative to in-house resources is to hire outside help. And while in-house archives remain unpopular in Canada, Fred Hosking's company may represent a new paradigm.

In the early 1990s, Hosking worked as a contract researcher for the Department of Indian and Northern Affairs, mostly on land-claims cases. He and some colleagues noticed the department was cutting back in-house research staff and increasingly relying on contractors. Also, employees within the department were changing jobs every few years. "We saw that there wasn't going to be a decrease in this type of work," says Hosking, "and that the government wasn't going to turn back the clock and start hiring hundreds of new historians." Hosking and his colleagues figured they could start a firm that could branch out into new, larger projects beyond the reach of freelance contractors. The result was Public History Inc., founded in 1995. Today, the company employs 70 people, most of them at its two offices in Ottawa and Winnipeg.

Most of Public History's workers hold undergraduate or graduate degrees in history, though some have backgrounds in political science, anthropology and other social sciences. Indian and Northern Affairs remains one of its largest clients, but Public History also conducts work for other arms of government. "The departments themselves, federal and provincial, don't have

corporate memories anymore," Hosking says, "so we become their corporate memory." It also works for law firms and has about half a dozen corporate customers. Much of its work is, naturally, subject to confidentiality agreements. "So much of what we do, we can never talk about, even with family and friends," laments Hosking. "Which really sucks."

One project he can talk about was recently completed for Ontario Power Generation. Between 1999 and 2001, the Whitesand and Red Rock First Nation Bands of Northern Ontario launched court actions against OPG in the Ontario Superior Court of Justice. The bands allege that dams, generating stations, power lines and other facilities erected by OPG and its corporate predecessors in the Lake Nipigon watershed have flooded or damaged tribal lands. OPG hired Public History to do the digging. "OPG needed to figure out what it was thinking internally," explains Hosking. "'Did they take into consideration aboriginal groups? Did they take into account damages?' Because they didn't know." OPG, however, has a well-maintained records centre. "There's tons of material," Hosking says. "We had to go through it and determine what it means, what was decided, and who decided to do what." (OPG has yet to file a defence, but says it's unlikely the case will have an adverse impact on its business.) Forgetting its history might have hindered OPG's ability to respond.