We received forty-one papers. These papers were first reviewed by a sub-committee of the Scientific Committee to determine which were suitable for publication online. We have decided to publish just six of the papers that were submitted to the competition (see table below). We decided not to publish the papers, which included some excellent studies that developed our understanding of political decisions but did not relate to the challenges company managers are now facing. Members of a separate sub-committee then ranked essays for the purposes of allocating the two prizes.

1st Price: Nursing infectious disease: a history with three lessons
Professor Sioban Nelson (Faculty of Nursing, University of Toronto)

2nd Prize: Thrift in a time of war and influenza: American mutual life insurance companies, 1917-1920
Thomas DeBerge, PhD student (University of Illinois)

All stakeholders count: the Dutch beer industry during the First World War
Bram Bouwens and Keetie Sluyterman (Utrecht University)

Business Community Resilience while Fighting the Flu in the Fur Trade, 1797
Professor George Colpitts (Department of History, University of Calgary)

Lessons to Learn from Japanese Retailers on Natural Disaster Recovery
Professor Rika Fujioka (Faculty of Business and Commerce, Kansai University) and *Professor Tatsuro Watanabe* (School of Commerce, Senshu University)

Lessons From a Forgotten Pandemic
Valerie E. Mock, Ph.D.

Protecting Investors in Tumultuous Times: How Reinstituting the 1938 Uptick Rule Can Make Markets More "Fair and Orderly" as well as "Black Swan Robust"
Janice M. Traflet, Ph.D and *Howard I. Scott, Research Professor of Management* (Bucknell University)

Nursing infectious disease: a history with three lessons

Professor Sioban Nelson (Faculty of Nursing, University of Toronto)

This essay offers three lessons for managers from the history of nursing. Lesson one highlights the need to protect health workers from infection. Taking the example of infectious nursing, a practice that emerged in a period when infectious diseases were endemic and epidemic outbreaks frequent occurrences, I reflect on the need to re-learn essential practices concerning infection control and hygiene to a level not seen for decades in health care. The second lesson focuses on innovation and meeting the challenge of caring for patients with a new disease. The global adoption of universal precautions for blood and blood products that occurred in the wake of the HIV/AIDS pandemic is explored as a key example of innovation driven by risk and infectious disease. The third lesson looks at the challenges of staffing in the years to come, highlighting the impact of infectious diseases on recruitment campaigns in postwar Britain with the creation of the National Health Service and raises the issue of dealing with the aftermath of illness and disability post pandemic.

There is something uncanny about the fact that the bicentenary of the birth of Florence Nightingale and the WHO Year of the Nurse and Midwife was launched with a pandemic and the back-to-the-future message of "wash your hands".[1] In Notes on Nursing, her enormously popular household primer on care of the sick, Nightingale was unequivocal: "Every nurse ought to be careful to wash her hands very frequently during the day. If her face too, so much the better".[2] For trained nurses Nightingale went even further, boil "everything, even the surgeon" she joked.[3] Nightingale would approve, I suspect, of the public's rush on bleach and cleaning products, inasmuch as it indicates that the message of cleanliness appears to have hit home at long last. But there is no doubt she would be profoundly shocked by the infection rate of health workers, as well as the unknown numbers of hospital patients and residents of long-term care for whom the source of their COVID-19 infection was none other than the nurses, doctors and personal support workers who cared for them.[4] And while the lack of PPE is clearly a major cause of infection, PPE on its own is insufficient to ensure health care workers will neither contract nor spread the disease. In what follows, I put forward three areas where nursing history can offer, in the words of Nightingale, "suggestions for thought" to protect and support staff from nosocomial infection and to aid recovery post COVID-19.[5]

First lesson: back to basics

By the end of the nineteenth century and well into the midtwentieth century, the care of patients with infectious diseases was a major element of nursing work in general adult and paediatric hospitals, in special infectious disease hospitals, as public health nurses and as private duty nurses in the home. All nurses underwent rigorous training in order to be able to apply the principles of infection control in whatever context they found themselves. The instructions in the Manual for Fever Nursing published in New York in 1904 included a chapter on The Sick Room and its Furniture. Addressing the issue of protective clothing, what we know today as personal protective equipment or PPE, it declared that in the case of diphtheria: "The nurse and the physician should wear, while in the sick room, a gown which covers the clothing entirely. This should be kept outside the apartment and sterilized directly after use. If the patient, while the throat is being examined, should cough in the examiner's face, the latter should wash the face and hair in soap and water followed by 1:1,000 mercury bi-chloride solution. The hands must always be sterilized upon leaving the sick room".[6]

The rigid discipline associated with the military style charge nurses or "sisters" of the post WWII era faded with the rise of informality that came during the 70s and 80s. Beyond a change in manners and mores, the latter decades of the twentieth century witnessed a rise in patient complexity and the need for better educated nurses, increased multi-disciplinary care, and a precipitous decline in average length of stay – all of which heralded the end of the age of the matron and charge nurse. But there was a time when nurses would be hauled over the coals for wearing nail polish, or draping their stethoscope around their neck, or a thousand other infringements of the dress and conduct code. Underpinning this regimentation was an orientation, a way of thinking, that identified objects with the capacity to become fomites and carry infectious material around the hospital or to and from the home. Most health workers today have a relaxed approach to their hair, or their pens, or their pockets, something that would have been unacceptable in the past. It is paramount to their safety and to the safety of others that staff re-learn, or perhaps learn for the first time, the mindset of the pre-vaccination pre-antibiotic era, to think of every single item of clothing and object on their person, and every item in a patient's room or piece of hospital equipment as potential carriers of COVID-19. Such a shift in thinking will also necessitate a change in the way space is ordered in the hospital and the free movement of health personnel throughout the institution.

The second lesson: innovation in the face of a new disease

What new practices does the care of COVID-19 patients entail? Prior to the introduction of vaccines and antibiotics there was no cure for infectious illness and no preventive measures other than hygiene and strict isolation of contacts. Isla Steward, the indominable matron of St Bartholomew's Hospital London for decades was early in her career placed in charge of the London Thames River Smallpox river camp hospital. Over the course of the epidemic 1884-85 she presided over a staff of 100 nurses who cared for 1,800 patients under canvas with a mortality rate of only 17% as opposed to the expected 30-40%.[7] After the epidemic Stewart explained that doctors believed small pox was a 'nurses' disease because without a cure the care and comfort of the patient was predominantly 'the nurse's prerogative'.[8] The nursing care in infectious disease was supportive: the management of fever (a huge speciality area of practice) and symptom management such as throat lavage in diphtheria, skin care in small pox or measles, pain management in typhoid. The development of best practice in COVID-19 care, in the support and comfort of dying patients, and in care of those at home or in long-term care will require a multi-disciplinary effort and constitute a major advance in the compassionate and effective management of this disease.

When HIV/AIDS swept the world, generating stigma and fear, the entire health care industry shifted to a universal precautions or standard measures approach to handling bodily fluids in order to protect health workers.[9] New tools for blood collection and shifts in everyday practices that involved the handling of sharps followed. Gloves, masks, eye protective equipment and disposable gowns were produced in vast quantities and became part of routine care. As the evidence on COVID-19 grows it is becoming increasingly clear that asymptomatic and presymptomatic individuals are a major cause of infection. The adoption of universal precautions against droplet infection will entail a major shift in the organization of care and a total revision of standard practice.[10] Learning from the introduction of universal precautions for blood-borne products and bodily fluids in the 1980s and 90s, and the challenges with compliance to complete overhauls in procedures offers managers some guidance in the implementation of new protocols and new equipment that will surely follow COVID-19.

Third lesson: staffing in the new era of infectious disease

What will staffing hospitals, home care and long-term care look like in the years ahead? The recent report on nursing from the WHO stressed the inequitable distribution of nurses globally calling for the creation of six million new nursing jobs by 2030. And this is before the arrival of COVID-19.[11] Nursing recruitment has long experienced boom bust cycles but the impact of infectious disease can be found in the case of the 1950s recruitment to the NHS. Longstanding shortages of nursing staff along with the creation of the NHS combined to

require aggressive recruitment of nurses from within the UK and Ireland and the Caribbean. Staff coming to urban areas from rural areas were found to be particularly vulnerable to infectious illness. Immigrant nurses, such as the first wave Caribbean nurses too had heightened vulnerability.[12] The management of staff vulnerability to COVID-19 will require careful oversight for years to come.

Finally, under the headline of "Good news for tired-out members', the British College of Nursing Bulletin of October 1920 announced the opening of a seaside cottage on the Isle of Wight for the convalescence of sick nurses.[13] Modern medicine is largely premised on aggressive management and the assumption of rapid recovery. For those who survive a serious infection of COVID-19, a disease where relapse or reinfection could be possible, it may be necessary to consider how rehabilitation and recuperation can be supported. Following each world wars, the overwhelming number of disabled and incapacitated veterans lead to the creation of the rehabilitation movement, new fields of medicine and state involvement in long-term support of veterans. As Julie Anderson points out in her work on war and disability in Britain, this movement was characterized by significant gender inequities.[14] Given what we are currently experiencing with the unequal burden of COVID-19 on racialized and impoverished communities, we will need to ensure any ongoing support of COVID-19 survivors, be they patients, health workers or both, does not heighten these disparities. We may even wish to consider a return to the now archaic notion of convalescent homes. Is it too much to hope that the current public fervor in support of front-line health workers, especially nurses, might even translate into donations for seaside cottages at nurses' disposal to ensure full return of a healthy workforce in the post pandemic world? One can live in hope!

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3 Florence Nightingale Museum, On-line exhibit. https://www.florence-nightingale.co.uk/hospital-acquiredinfections/

4 See the ICN statement on the issue. https://www.icn.ch/news/icn-says-worldwide-death-toll-covid-19-amongnurses-estimated-100-may-be-far-higher

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[12] Currie op.cit, p.61

[13] College of Nursing Bulletin, 1, no.4, (1920), 8. https://rcn.access.preservica.com/uncategorized/IO_445a0f621bea-47b7-a0a0-bf35a607c765/

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Thrift in a time of war and influenza: American mutual life insurance companies, 1917-1920

Thomas DeBerge, PhD student (University of Illinois)

Summary

The mutual life insurance companies of early 20th-century America demonstrate how preparedness in the form of surplus reserves and values in the form of social and economic 'thrift' positioned these companies to thrive in increasingly uncertain global environment. Managers now confronted with the economic impact of the COVID pandemic can take a lesson from these companies by (1) developing and implementing the systematic accumulation of 'reserves' in periods of growth to prepare for periods of emergencies and (2) integrate social values inspired by a notion of 'thrift' that contribute to reducing the impact and likelihood of future crises. Some firms will find themselves already so prepared, as well as positioned to benefit from the changes in stakeholder values brought about by the crisis; others will learn a lesson in 'thrift' that, if implemented swiftly, will sustain them in the coming decades.

The experiences of American mutual life insurance companies during the period of the First World War and the influenza epidemic provide a model for the design of their organizations – their values, operations, and management – that prepare them to respond to unexpected crises, even of unprecedented magnitudes. The principle behind this design was the early 20th century idea of 'thrift, and one of the key aspects of thrift as put to action was the accumulation of a surplus reserve for contingencies such as war and other higher-than-expected death rates, such as the influenza of 1918 and 1919. At the same time they paid claims to the families of deceased policyholders, the life insurance companies were also heavily invested in the modernization of American society (governments, transportation, infrastructure, real estate, agriculture). Managers of businesses now facing a global pandemic of COVID-19 will either find themselves prepared financially and also positioned well as proven 'essential,' socially and economically, in increasingly tumultuous times, or they will learn a lesson in 'thrift' with a sense of both social and economic benefit that aims at survival, as well as prevention, of future crises.

In 1920, in the wake of the unusually large losses of life resulting from the World War and the influenza epidemic, the president of one American life insurance company made a proclamation in a tone familiar to that industry: "The watchword of the hour is 'thrift' – and the embodiment of thrift is life insurance" (Northwestern Mutual, 1920, p. 5). The idea of thrift was by no means new to this period or to the institution of American life insurance;

indeed, with origins in English Puritanism, thrift was connected to a condition of thriving and carried with it a strongly religious connotation (Hunter & Yates, 2011). It was in its translation into late 19th- and early 20th-century America that thrift attained a prominence in American economic life.[1] With mutual life insurance companies espousing the virtues of thrift with messages of savings and safety, frugality and foresightedness, calls for the practice of thrift also developed into programs for the teaching of thrift (i.e. 'thrift education') [Hunter, 2011]. For the life insurance companies, events like the World War and the influenza outbreak, more than any education program, "brought to the minds of the people of the country the necessity of protection by life insurance, and the amount of insurance written by the various companies of the United States has exceeded their most ardent expectations" (New England Mutual, 1919, p. 3).

What were by 1918 the 'old-line' companies of American mutual life insurance, which were founded in the two decades prior to the start of the Civil War, had been growing steadily for six to seven decades. Founded in 1843 and the oldest of the companies, Mutual Life of New York had made the pioneering contributions to actuarial science and the development of the mortality tables that were the basis for the evaluation of risks (lives) to determine the proper premium to charge. The statistical bases for the tables and the subsequent collection of data over several decades (actual death rates, according to age, health, cause of death, race, gender, occupation, etc.) were combined with a mutual form of organization – policyholders owned the company, elected a board of trustees, and pooled their premiums into investments designed to advance 'civilization' and modernize the United States. The annual reports of a set of early life insurance companies[2] list these investments in detail: government bonds (federal, states, municipalities, cities), railroad bonds, farm mortgages, public utilities such as electricity and water, real estate properties, some stocks, and policy loans to policyholders (though this last was discouraged). The 5-6% average returns that the mutual companies were earning on these investments in the period of America's participation in the World War and the epidemic (19171921) combined with the premiums paid by steadily growing and migrating populations of policyholders allowed the companies to cover all proven death claims, fund a nationwide network of agents of the company and administration, pay taxes (a 'tax on thrift' [Mutual Life, 1918, p. 18]), and pay 'dividends' (a repayment to policyholders of a part of the premiums not needed to cover the death claims relative to the expected mortality derived from the tables – the 'surplus'). At the same time, especially when in years of 'favorable mortality,' the companies would continually add a calculated amount of the surplus to reserves for contingencies – there are various names given to this reserve based in state regulations (e.g. 'Contingency Reserve,' 'Contingency Fund,' 'Suspended Mortality Fund').

In 1918, with the increased mortality caused by the war and, then, the far more costly influenza epidemic in the last three months of the year, the life insurance companies went to

these reserves in every case; some (though not all) of them needed to reduce or suspend the refund of 'dividends.' Especially noting the importance of the reserves, the companies' reports boasted of the wisdom of the simultaneously conservative and liberal design of life insurance: make liberal estimates of the expected death rate (that is, usually charging too 'much' for premiums), but be conservative in both investments (secure assets), 'dividend' payments, and, most importantly, the accumulation of the surplus reserve – "for just such emergencies as that created by the war and the epidemic of 1918" (Mutual Life, 1918, p. 13). To illustrate: the average death rates (actual to expected) for National Life of Vermont for 1914 to 1917[3] were consistent with the average for their previous fifteen years (1902-1917): 62.85% (National Life, 1918). In 1918, the National's actual mortality was 84.05% of the expected, the increase coming primarily from the influenza epidemic across the country, which also accounted for half of the war losses. Other companies witnessed death rates approaching or exceeding 100%, with the epidemic months of the year (October to December) seeing hundreds of thousands of policyholders, mostly between ages 20 and 40, die of influenza and the related pneumonia. The life company presidents as well as American newspapers (e.g. St. Louis Post, 1918) remarked upon the disparity between the relatively few deaths from war losses compared to the onslaught of the pestilence, which the president of New England Mutual thought compared most recently with the Plague of London of 1665 (1918, p. 3). With the epidemic raging into the first months of 1919, costs mounted for the life companies as hundreds of thousands died, losses not seen since the Civil War, and the reserves proved their usefulness.

And, just as the growth of new life insurance (both policies and companies) surged in the periods during and immediately after the Civil War (and again during Spanish-American War) [Mutual Life, 1918], the American companies witnessed exceptional growth in new policies in the years 1919 and 1920 (Wall Street Journal, 1919; New York Times, 1920). They pointed to a number of causes, such as the post-War American prosperity, record low death rates, and inflation of the US dollar which deflated the value of insurance policies – but especially the 'lessons' taught by the War and the epidemic. Additionally, there appears a consensus across companies that the adoption by the US Government of taxpayer-funded War Risk Insurance for soldiers and sailors worked to educate people in the value of life insurance, provide a reputable endorsement, and relieve the private insurance companies of some of the risk. At the behest of the US Government, the life companies reciprocated with hundreds of millions of dollars collectively invested in four separate Liberty Loans to fund the government's war effort. The president of Northwestern Mutual, looking back on 1919, remarked how "it may well [have been] that the war was required to bring home to an enlightened public a realization of the true value of thrift (p. 5)" and, further, how "[t]he plague of influenza, indiscriminate in the choice of its many victims, awakened even among

the strongest of men a realization of the uncertainty of life and of the often neglected duty to provide for the future" (p. 11).

These uncertainties, always destined to arise, were factored into the design of the business of life insurance itself – a design that overestimated risk as a proxy for measuring uncertainty, while at the same time investing in the modernization of society to reduce that risk, earn returns for policyholders, and set aside reserves for when the unexpected occurs – in their word, 'thrift.' For the managers of businesses outside of life insurance and in other time periods and countries, the principles inherent in the design can still apply, and the nature of the 'reserves' built up during favorable years may take different forms (e.g. insurance, cash, etc.). However, it is clear the life insurance companies also viewed the social function of their investments as acting as a kind of reserve, by also reducing the actual mortality rates for the country and its multiplicity of localities. There are companies in the midst of the COVID-19 pandemic suitably prepared with 'reserves'[4] and, also like the life insurance companies, positioned to benefit from the new view that the public develops of certain industries in the midst of crisis ('essential' or businesses). While many (perhaps most) firms will not be so prepared for the breadth or depth of this crisis, managers and society at large can take the experiences of COVID-19 as a hard lesson in the value of thrift – and with a meaning closer to that espoused by life insurance companies in the midst of the First World War and the 1918-1919 epidemic.[5] If we are indeed well into an extended period of deglobalization (see interview with Geoffrey Jones: Agarwal & Raje, 2017), analogous to the period of war, economic crisis, and militant nationalism that would characterize the middle of the 20th century, then the value of reserves for contingencies as part of a turn towards 'thrift' will be of unparalleled importance for those firms (and industries) that are to survive (and thrive) in the next few decades.

Endnotes

1 A google n-gram search, which attempts to measure (imperfectly, of course) the frequency of use of certain words in texts over time (1800 to 2019), indeed shows a rise in the use of 'thrift' in texts steadily from about 1840 only to rise dramatically in the decade of the 1910s to peak in 1920. Google n-gram: 'thrift'

2 For this research, I primarily used the annual reports (as well as some newspaper articles) from 1917 through 1921 for the following life insurance companies: Aetna (founded 1859), Connecticut Mutual (1846), John Hancock (1862), Massachusetts Mutual (1851), Mutual Life (1843), Mutual Benefit Life (1845), National (1850), New England Mutual (1844), New York Life (1845), Northwestern Mutual (1857), Penn Mutual (1847), Prudential (1875), and Traveler's (1864). Obviously, this set is biased to life insurance companies that thrived during the period in question, including some which continue to thrive today, though in largely in the form of stock, rather than mutual, organization (see Zanjani, 1997).

[3] Not only had the United States not yet entered the war prior to the end of 1917, but the relatively few major companies – Equitable Life, Mutual Life, and New York Life – that had once held large business in Europe and countries worldwide had stopped the growth of new foreign business by 1914, with only New York Life the most active up to the start of the war when it ceased writing new policies (Wilkins, 1970; 1974; 2009) Wilkins attributes the withdrawal from foreign business to the concern over the exchange of currencies and overly stringent requirements that foreign governments placed on the investments firms could make, essentially government bonds only. Most of the European policyholders that the companies still insured during the War were older, which meant they were beyond the age of military service and were not as hard hit by influenza as well.

[4] Companies such as Apple, known (and sometimes criticized) for holding large amounts of cash as a result of Steve Jobs' legacy, are cited as prime examples of preparedness in the present crisis, with cash reserves just under $300 billion (Francis & Gryta, 2020).

[5] Hunter and Yates (2011) detail how the meaning of 'thrift' in America began to drift towards the notion of debtdriven 'consumer thrift,' which is in many ways opposed to the idea celebrated by life insurance companies. Indeed, several of the reports from 1919 and 1920 criticize the 'extravagance' of spending in post-War America and the increasing tendency for policyholders to take out policy loans.

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All stakeholders count: the Dutch beer industry during the First World War

Bram Bouwens and Keetie Sluyterman (Utrecht University)

Covid-19 is first of all a health crisis, but it will also have major implications for businesses. Can lessons be learned from the past, for instance from the strategies of Dutch brewers during the First World War, 1914-1918? The Dutch brewers mitigated the uncertainties and scarcities of the war by reaching out towards their competitors and by engaging with all their stakeholders. Those strategies turned out to prepare them well for the more coordinated market economy that appeared after the war. Though not all breweries survived the war, two third of them did. Imagining how the post-Covid-19 world might look like and how your business can prepare for that new world offers a positive way of approaching the present crisis.

Introduction

Large parts of the world's population are in 'lock down' to prevent the spread of the deadly virus, Covid-19. People worry about their health and that of their loved ones. Businesses are concerned about the short- and long-term costs of this crisis. Will the world be the same when the pandemic is over? Is it possible to prepare now for what may be ahead? Are there valuable lessons to be learned from the past for today's managers? For instance, can we learn lessons from the Spanish flu that gripped large parts of the world between 1918 and 1920 and killed about 50 million people?[1] The Spanish Flu also hit the Netherlands in the years 19181920 and led to numerous public interventions that are also being taken today (quarantine, closure of schools, and advice on social distancing). However, in Dutch business archives we have not come across references to specific impacts on companies, probably because businesses were already so much affected by the First World War that a separate impact of the Spanish Flu was hard to distinguish. For our country it therefore makes sense to look at the impact of the First World War for studying business strategies towards crises. Although the Netherlands remained neutral, two of its neighbours, Germany and the UK, were at war with each other and the other neighbour, Belgium was occupied by Germany. Thus the internationally oriented Dutch business community became isolated and had to reorient its affairs.[2] In that respect, there are many parallels with the current situation. One of the industries that was badly hit in the period 1914-1918 was the beer industry.[3]

Strategic responses of the Dutch beer industry

Faced with the outbreak of the war, Dutch brewers first of all turned to their own tradeassociations to protect their relationship with the customers. The smaller brewers of traditional top-fermented beer, mostly in the southern part of the Netherlands, were organised in the Dutch Brewers Association (Nederlandsche Brouwers Bond, NBB), while the large brewers of bottom-fermented beer, mostly from the northern part of the country, formed the Association of Dutch Brewers (Bond van Nederlandsche Brouwerijen, BNB). As soon as the war broke out, the brewers in the Association of Dutch Brewers struck a first agreement in which they pledged to respect each other's markets. During the war, similar agreements in more or less tough wordings were repeated with the intention to safeguard their relation with their own customers by discouraging their agents to approach other breweries' customers.[4] The trade associations were also active in lobbying the government.

Lack of coal formed the first serious bottleneck in beer production in 1916. Here the government stepped in with distribution of coal. Breweries were not at the top of the list, which necessitated them to look for alternatives. Heineken experimented with wood and brown coal, but those alternatives were also in short supply. The company also ordered an electric motor in Sweden, because electricity was still available, but it took months to arrive.[5]

The regular purchase of barley and malt formed the other major problem for the brewers. Directly at the start of the war Austria prohibited the export of malt and barley, and Germany followed soon. Initially, Dutch brewers were able to buy substantial quantities of British malt. However, imports from overseas had to be approved by the British government, and one of the conditions the British posed was that imported grain would only be used for beer sold on the domestic market.[6] Britain carefully monitored compliance with this rule.

Brewers bought malt in the US, but it was difficult to find ships to transport the malt to the Netherlands. Some large brewers went so far as to charge a Danish ship to bring over the malt from the US. However, when scarcity of malt threatened the survival of small brewers, the Dutch government stepped in with distribution measures.[7] The scarcities led to considerable prices increases. In 1914 malt could be bought for 23 guilders per hundred kilograms, but in 1917 the price rose to 55 guilders, and a year later it had soared to 90 guilders.[8] When malt became really scarce from 1917 onwards, the breweries went in search of alternative ingredients. They experimented with tapioca, maize, rice, and sugar. The provision of hops was never in doubt. Imports from Germany and Austria continued as usual.

The problems in continuing beer production translated into a historical reduction in beer consumption. While Dutch beer consumption remained at pre-war levels of around 35 litres per head per year during the first years of the war, it started to drop dramatically in

1917, decreasing to 10 litres in 1918, and remained low in the first post-war years.[9] While beer consumption rose again after the war, it did not return to the pre-war level.

The rising prices of fuels and ingredients made it necessary to raise beer prices, with the first increase starting in January 1916. To make sure prices would not be undercut by competition, the Association of Dutch brewers prescribed the required higher prices in great detail. The new prices allowed slightly larger profit margins for cafés and restaurants to ensure support for the measures among the customers.[10] The government's introduction of a new beer tax in January 1917 increased the beer prices even further. When the scarcity of ingredients made it impossible to brew high-quality beer, the Association's members also forged agreements about lowering alcohol content, prioritising sales over quality.[11]

As beer prices rose, so did many other consumer prices and thus the cost of living, which in turn led to rising demand from workers to increase their wages. After some initial foot-dragging, the Association of Dutch Brewers granted price costs compensation, but it was unwilling to make those extra payments part of the regular wages. When beer production had to be reduced from 1917 onwards, the brewers were prepared to keep regular workers employed and shorten the working week. They even offered a free Saturday afternoon for part of the workforce for the time being. Though all these measures were put in place under war time circumstances and strictly limited to that period only, they paved the way for more generous working conditions after the war.[12]

Despite the rising costs of ingredients and the decline in beer consumption, Heineken's financial performance was satisfactory during the First World War, with profits increasing in line with inflation.[13] It suggests they could recoup the rising cost of ingredients by increasing beer prices and lowering the alcohol content. The company also profited from the beer tax, because it could sell its large stock of beer that was taxed at a lower price, at the newly established higher prices. After the war, the company faced a high tax bill related to their war profits.[14] However, not all brewers were so lucky. The number of breweries fell from 420 in 1914 to 289 in 1918.[15] It was mainly the smaller breweries that had to close their gates.

Conclusion

Summarizing the strategies of the brewers we can conclude that they had to redirect their supply lines and tried to substitute scarce resources by alternatives. They also adjusted the quality of the beer to continue production. In all this, they tried to reduce competition by working closely together in their associations, disciplining members who might have been inclined to break the rules. However, nearly a third of all brewers did not survive the war period or did not survive as independent brewers.

What lessons can we learn from the way the Dutch beer industry dealt with the crisis? First, surviving is not self-evident. Entrepreneurs who are creative, seize the opportunities to change their course and develop a strategy in anticipation of the new future might have a chance of success. In the short term, the brewers managed to eliminate the competition between them, and in the long term they created a constructive partnership in which employees and the government were involved. They compiled a new balance and contributed to a paradigm shift from a Liberal Market to a more Coordinated Market Economy that would become do dominate the post-war period. Will there be a new Variety of Capitalism, with shorter supply chains and with regional, national or even local networks at the core. Networks that will be able to create sustainable business environments, where people matter and profits benefit all stakeholders. To pre-sort on this route seems to be a great challenge for today's managers.

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Business Community Resilience while Fighting the Flu in the Fur Trade, 1797

Professor George Colpitts (Department of History, University of Calgary)

Summary

Managers coping with Covid-19 should perhaps think less about *what to do*, as much as *what to draw* from remnant but quite resilient interpersonal relationships within their local enterprise communities. While large firms can impart purpose, identity and productivity to employees within normally-functioning "imagined" communities, whether in broad strategies of CSR, a sense of corporate heritage and history, and even non-face-to-face communications in textual media, in periods of crisis, they can draw from localized communities, often largely of their own making, where customary, ritualized and inter-personal relationships remain significantly resilient.[1]

The resiliency of local community is evident in the 1797 flu crisis in the Canadian Fur Trade

The influenza circulating between the fur trade posts in present-day Manitoba in 1797 finally caught up with James Sutherland in late April while he served as master of the Hudson's Bay Company (HBC) post at Brandon House. Influenza was a common scourge in the fur trade in the late 18th century. Canoe brigades using more extensive and rapid routes from the Great Lakes quite commonly carried influenza with them far inland.[2] In Manitoba, for instance, flu wrecked havoc in the trade in Fall 1795. Of eleven employees working at Carlton House, near Brandon House, the flu left five employees unable to work for weeks. Two died.[3]

Sutherland himself did not survive this flu. But his death suggests lessons for business managers coping today with Covid-19. As a manager (commonly called "factors" in the HBC), Sutherland oversaw his company's business and encouraged trade with Indigenous people. Employee morale was critical to the success of his trade. Especially in winter months when trade ironically increased, travel was nevertheless limited, manual work decreased, isolation set in, and food supply became uncertain. Labouring servants living in close quarters often lost themselves in broody lassitude or lashed out at one another in frustration. In such circumstances, the customary and even ritualized practices that built a sense of community in the trade became key in importance. Servants, for instance, practiced "baptism" of novice servants and newly promoted masters, masters consented to servants "naming" lakes or raising "lobsticks" in their honour.[4] Through rituals, convivial celebrations around bonus rum allocations, Saint Day observances and dances, masters motivated servants to take up their

grueling and dangerous work in the trade by striking relationships with them in mutual obligations and privileges.[5] In winter, masters reinforced community. They assigned makework projects, closely maintain employees' schedules around waking and sleeping hours, and managed food supply. They also curbed alcohol consumption. But in the case of the HBC, a Londonbased and explicitly hierarchical business organization, effective management also maintained clear social distinctions between masters and their "officers," and they with labouring servants. Rigid social and quasi-class distinctions divided work according to an individual's contracted job description, whether as a "trader," "clerk," "interpreter," "hunter," "carpenter," "iron forge," or "labourer." Each job category paid an individual a different salary, bonuses and sometimes living conditions and diet. Social distinctions categorizing work, in turn, created the makings of a resilient community that functioned surprisingly well in the rough environs of the fur trade. A manager might undermine community cohesion through lax leadership or by indulging in heavy drinking and fisticuffs with their own men. Another might demoralize servants by allowing posts to run to ruin, or by failing to keep them fed and clothed sufficiently.[6]

In his long career as a fur trader, Sutherland built communities at the various posts he managed. Although undoubtedly resented for doing so at times, he insisted on men hearing his sermons on Sunday mornings.[7] He maintained firm leadership, reprimanding and disciplining servants working poorly, but doing so fairly and transparently. He criticized masters he saw beating their men, abusing them verbally, or withholding food from them in punishment for poor performance.[8] Sutherland confirmed his leadership, as well, by maintaining his living quarters separate from servants, either in his master's "loft" above their bunkhouse, or beyond a door hung on iron hinges (metal of any kind being precious in fur trade territories). Whatever their implied hierarchical ordering, these practices recreated home British society at the time and provided employees a familiar social context in which they could live and work.

We are fortunate to have a detailed description of Sutherland's ultimately losing battle against the flu in 1797, one revealing the resiliency of the community he created around him at Brandon House.[9] After suffering a couple days, Sutherland sent his personal assistant, James Moore, for medicine at a trading post farther up the Assiniboine River. The trader kept a medicine cabinet, a portable wooden box with cubbies filled with a variety of chemical apothecaries and herbals.[10] Moore returned home with two "papers" of vomits, two of purges to induce diarrhea, and a little dried rhubarb.

It was undoubtedly the vomits that killed Sutherland. An informal inquest by the HBC's London Committee later ascertained that the papers were likely Dr. James Powders, manufactured in England.[11] Mostly arsenic, physicians typically prescribed the powder in miniscule doses to an individual fighting the flu. The powder induced fever, which helped

purge infection. But Sutherland was a sick man impatient to get better. He seems to have indifferently mixed the powders in water and drank them. He vomited, but, as the post's diary recorded, he still felt "very sick but is walking about." Thomas Miller, the post's second in command, then took up the pen to continue the post diary. With Sutherland sick, it was his duty to keep up the entries, these to help in the post's accounting by year-end. Luckily for present-day readers, Miller sensed the grave turn in his master's health and he carefully recorded what happened next.[12]

After vomiting, Sutherland paced for four hours. Sutherland feeling worse, not better, then drank warm water. Then he boiled a little tea, likely from willow bark extract, which he used on other occasions to induce vomiting.[13] He tried bathing his feet in warm water. By 10 p.m., he was inconsolable and so physically exhausted that Miller helped him up the narrow stair ladder to the bed in the master's loft. Given the seriousness of his master's condition, Miller even recorded the verbal exchanges between Moore and Sutherland: "I will stay up with you all night Sir," the servant said. "No, go to bed," Sutherland replied, "and set the people to work in the morning till I get up and if I want anything I will ring the bell for you."[14]

Late in the evening, it rang. Moore found his way upstairs to Sutherland who told him to light a candle. "I wish that I had never taken that vomit," is all he said.[15] Moore returned downstairs to wake Miller. "The master is very weak," Moore said, and they both went up to see him. "James Moore and I caught him by the hand and said, 'Dear Sir you are very weak.'" Sutherland was unable to speak. "He looked steadfastly and his lips moved but said nothing," Miller recorded.[16] Miller told Moore to call all hands up. A fur post's community usually rallied around a sick member. A master typically assigned men as pairs to spend evenings with individuals becoming seriously ill.[17] These bedside vigils drew a community close together around their most vulnerable and weak members.

With his death now a certainty, Sutherland's community fully rallied around him. The men rolling out of their bunks to arrange themselves at the bottom of the ladder to bid their master adieu.

These would have been the carpenters, the boat builders, and the clerks, finally the servants, and then Indigenous employee hunters. Rank was respected in this formal exercise. James Moore, as the post's senior officer, was the first to go up. He took with him his son. Reaching the deathbed, they found Miller, Sutherland's servant, who was performing his duty by propping James up in his bedding to meet, in turn, his employees. But the Moores came to the bed just as Sutherland died. "He never breathed after," Miller recorded, "In him the Hon'ble Company lost an able and worthy officer whom I great regret."[18]

The men returned to their bunks. Miller, as Sutherland's servant, however, sat with the body all night with the candle burning. The next morning, a servant and the post's carpenter built a coffin. The post journal did not record other work performed in the day of

mourning, except that Moore formally inventoried James' possessions, these to be returned to his brother in Scotland. Then the next day, on May 1, the post's community reassembled and, joined by the Montreal fur traders from upriver, Sutherland was buried in the "the English manner." In the fur trade, this usually entailed a processional march to graveside, where the community divided itself between higher ranks serving as pallbearers and lower serving as mourners. After the burial, the men built a fence around the grave.[19]

James Sutherlands' death from the flu is relevant to present-day managers. The community Sutherland had helped created at Brandon House proved resilient in crisis. Ritual observances, rank distinctions, and clearly set roles, responsibilities and privileges joining members of this business enterprise together continued to function during Sutherland's own illness and death. It is remarkable that among his few recorded final words were those giving his servant instruction to call men to their assigned duties the next day. Even in a period of crisis, this manager came to rely on, and draw from, the ritual and social organization he helped reinforce in a community at Brandon House. Managers coping with the Covid-19 crisis might think less about *what to do* as they might about *what they can draw from,* even virtually, in the local interpersonal communities they have created around a business enterprise. These very direct, perhaps ritualized, but explicitly circumscribed relationships prove reliant in times of crisis.

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Lessons to Learn from Japanese Retailers on Natural Disaster Recovery

Professor Rika Fujioka (Faculty of Business and Commerce, Kansai University) and Professor Tatsuro Watanabe (School of Commerce, Senshu University)

Summary

Managers in Japan, a geologically active country, have long had to deal with sudden and unanticipated disruptions in their supply chains, such as that caused the 2011 earthquake, tsunami, and nuclear disaster. Retail managers around the world who are now dealing with COVID-19 can learn important lessons from the experiences that Japanese retailers had when faced with a natural disaster. The first lesson is that they need to create a Business Continuity Plan for activation during such emergencies. Second, they should use make more intensive use of intermediaries to manage interrupted supply chains during such crises. Third, it is crucial that managers show solidarity with communities during such crises, as stakeholders will remember firm actions long after the crisis. The fourth lesson relates to the need to maintain strong long-term business relationships during such crises.

Introduction

COVID-19 has made all stakeholders more conscious of the importance of retailing. Most consumers in developed countries had previously taken it for granted that they could obtain a range of food products at grocery stores and enjoy the shopping experience whenever wanted, provided they had sufficient funds. Since March, consumers have been struggling to secure bare necessities such as toilet paper and hand soap, and many shops such as clothing stores and department stores are closed under current lockdown rules. Retailers now have a crucial role to play for two main reasons. First, as the final link in supply chains, the entire chain depends on their actions to work smoothly. The way they deal with panic buyers are a prime example, as the bullwhip effect this causes in supply chains can result in a skewed distribution of products (Lee et al., 1997). Second, retailing is the interface between the supply chain and consumers. Closed shops change the landscape of town and city centres, and consumers are unable to interact with shop assistants as they did before. While online shopping can be a replacement for the purchase of goods, it cannot replace these face-to-face interactions that take place in local shops.

Similar changes to retailing were seen in the aftermath of the Great East Japan Earthquake. A massive earthquake and subsequent tsunamis struck the Tohoku region of Japan on 11 March 2011, and swept away many houses, cars, shops, airports, seaports,

hospitals, and schools. The Japanese government confirmed 19,729 deaths, 6,233 people injured, and 2,559 people missing all over Japan, and a total of 1,153,398 houses were completely destroyed or seriously damaged (Fire and Disaster Management Agency, 2020). In addition, the tsunamis hit the nuclear power plants of the Tokyo Electric Power Company (TEPCO) in Fukushima, and leaked radiation led to nuclear meltdowns. Due to this accident, consumers were reluctant to buy goods made in this disaster-stricken area. As a result, there was a direct loss to the economy of at least USD 210 billion and a 0.7% contraction of GDP in 2011 (World Bank, 2012).

Following this disaster, the total number of stores in Japan were down 10% in 2012 compared with 2007, and in Fukushima they dropped by 17%. The total sales from retailing in Fukushima also decreased by 17% in 2012 compared with 2007 (Ministry of Economy, Trade and Industry, 2012). Most retailers closed their stores, but some wanted to remain open, despite the challenges of doing so. The physical damage to the stores made it difficult for them to carry out their business, but they realized that the positive psychological impact of their store's accessibility for consumers was crucially important. Customers could see that open stores were a symbol of the recovery of their community.

On 13 March, two days after the principal earthquake, Daiei – a subsidiary of Japan's leading retailer, Aeon – partially opened its Sendai branch to meet its customers' needs, despite not having the full use of its facilities. Although there had been no official notice of this, 1,500 customers had already lined up in an orderly manner outside the store when its doors opened. Word quickly spread through social media that Daiei had opened its store and had plenty of products to sell, and by the time the store opened its doors the following day on 14 March over 4,000 customers were lined up, forming a queue a kilometre long, with some people having waited patiently for four hours in the falling snow. Many customers thanked the shop assistants, as Daiei had become a real lifeline for them (Asahi Shimbun, 2011).

Retailers During a Natural Disaster

After the disaster, many retailers were seen as beacons of hope. Seven & I Holdings set up a contingency team after the four-minute earthquake. Its headquarters centralized the gathering of information and the buying and reallocation of products, to avoid any products becoming out of stock in a particular area (Kawabe, 2011). Its subordinate convenience store, Seven-Eleven Japan, was forced to close 600 stores, although 85% of these reopened by 23 March; it also resumed its just-in-time delivery system in its franchised stores by 26 March (Nikkei Shimbun, 2011). Its subsidiary supermarket, Ito-Yokado, continued to run its store in the city of Ishinomaki without any electricity (Seven & I Holdings, 2011).

In some towns and cities, the local supermarket Maiya was the only place where people could buy food, so it could not close its stores. Following the damage from the earthquake, it reopened its business in its parking areas (Small and Medium Enterprise Agency, 2011), sourcing products through its cooperative purchasing group and adapting its merchandise in consideration of the premises (Kawabe, 2011). In contrast, Aeon had only 36% of its stores able to run in the disaster-stricken area on 12 March, but had all of them reopened by 10 August. It set up a contingency team both at its headquarters and at local branches, and sent 2,600 staff members to affected areas to support the local staff, and to assess the damage and safety conditions. Aeon used its global network to purchase products and rebuild its supply chain, relocating products to where they were most needed, and supplying local governments. It also collected charitable donations from other parts of the country to support the local governments and fund scholarships for young people in the aftermath of the disaster (Aeon, 2011).

As circumstances were constantly changing, retailers had to keep modifying their recovery plans to meet people's needs. For example, for the first 10 days, Lawson's retail stores were instructed to do whatever was possible within each community, and every one quickly sold all its stock in front of its damaged store. Lawson's headquarters in Tokyo then began to deliver fuel with its alliance company, Japan Post, not as a business opportunity, but purely for survival in order to cover fuel shortages in the area. For the next 10 days, Lawson set a target to reopen its franchised stores and play a significant role in its communities as a local accessible store for its customers (Lawson, 2011).

Lessons for Retailers Facing COVID-19

Retailers in 2020 can learn some important lessons from their counterparts' experiences of the Great East Japan Earthquake. First is to create a Business Continuity Plan, considering what can be done to minimize the damage, and to resume business as soon as possible. Japanese firms that were successful in their response to the 2011 disaster (including Aeon, Seven & I Holdings, and Lawson) now had these plans ready in case they would be needed again (Small and Medium Enterprise Agency, 2011).

The second lesson is to use intermediaries to manage interrupted supply chains. In Japan's 2011 disaster, retailers pooled their information to request and arrange transport of the needed products from the western part of Japan to the east. In the case of COVID-19 today, manufacturers have enough toilet paper stocked at their factories, but there has been none available at stores because of panic buying and a shortage of truck drivers. If retailers use intermediaries to share information about product levels and distribution requirements, then firms can maintain functioning supply chains.

The third lesson is to show solidarity and support for communities, by keeping consumers informed and reducing panic spreading through social media. In the case of Japan's natural disaster, social media was mainly used by people to access helpful information. In contrast, in response to the current COVID-19 pandemic, social media has been amplifying people's anxiety and uncertainty with the widespread sharing of empty supermarket shelves, which has then increased panic buying around the world. While the earthquake and tsunamis were the peak of the 2011 disaster, the peak of the 2020 pandemic is not yet known, as infections continue to rise. Retailers can reduce the ongoing anxiety felt by communities around the world by sharing information and showing the support and solidarity that was provided by Japanese retailers in 2011.

The fourth lesson is to maintain strong long-term business relationships. As Sakaguchi and Makino (2011) demonstrated, these become crucial in a state of emergency. Maiya's good working relationship with its cooperative purchasing group was essential for maintaining its stock levels, and Aeon's global network greatly contributed to its recovery. In contrast, a lean production system that relies only on short-term business partnerships with the cheapest manufacturers in the lowest labour-cost countries, is currently under immense strain due to widespread border closures in response to the COVID-19 pandemic. While lean manufacturing can be a key to success, it is also vulnerable in emergencies (World Bank, 2012). Although long-term partnerships may ordinarily seem inefficient, they will act as a strong buffer in a state of emergency.

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Lessons From a Forgotten Pandemic

Valerie E. Mock, Ph.D.

The worst epidemic of modern times is that of HIV/AIDS with over 39 million deaths worldwide since 1981 (Harrington & Frohlich, 2020). It is one of the reasons that Dr Anthony Fauci, who has advised six Presidents on HIV/AIDS, and Dr. Deborah Birx, an internationally recognized HIV/AIDS expert, were named by the White House to positions of leadership in the US fight against COVID-19. (White House, 2020) For nearly 40 years, while these doctors were working on the epidemiology of HIV/AIDS, others were working to understand how to deal with the virus in the workplace. It is that accumulated knowledge that will help business leaders respond more readily and more equitably to COVID-19 in the workplace. AIDS taught us that we can deal better with a crisis of this magnitude by: 1) embracing the facts, 2) analyzing what your company and its stakeholders need, 3) determining what assistance is already available, 4) putting an action plan in place that includes coalition building and education, and 5) looking to the future. To help managers deal with the COVID-19 crisis, this essay offers a brief history of the HIV virus, the workplace response by the Centers for Disease Control and Prevention (CDC), and some of the workplace research that took place by the author and others in the early 1990s.

A Brief History of AIDS in the US

Like COVID-19, HIV is a type of virus of unknown origin that has global health and economic ramifications. Unlike COVID-19, it took over 4 years to identify the virus and while a vaccine for this new virus looks promising, there is none for HIV after 37 years. The AIDS epidemic in the US began in 1981 and by 1985 the government declared AIDS its top health priority. It predicted the vaccine would be available within 6 months. As the number of infections and deaths grew exponentially, the first public remarks by a President regarding AIDS was not made until May of 1987. By then there were 59,587 cases and 27,909 deaths from the virus.

In 1990, Congress created an independent body, the National Commission on AIDS to advise the President and Congress on the development of a policy concerning the HIV epidemic. Their first preliminary report was delivered to President Bush and Congress in December. The following year Congress passed the American Disabilities Act and covered HIV+ persons among the disabled. They also passed the Comprehensive AIDS Resources Emergency Act (CARE) (Mock, 1992). That year there were 161,073 persons living with HIV

and 100,813 deaths. The annual numbers of deaths in the US continued to escalate until it reached its peak of 50,877 in around 1995. (Osmond, 2003).

Today, approximately 1.1 million people in the U.S. are living with HIV; the annual death rate is 16,350 and there are over 37,000 newly diagnosed. Like COVID-19, many of them are not aware they are infected (about 14% with HIV). Historically, the world has seen 75 million people infected with HIV and roughly 38 million people still living with HIV. (UN-AIDS, 2020) The length of this epidemic as well as its complexity in how it affects the work-place and the families of employees has led to the creation of many corporate policies, guide-lines, and resources that may be altered for new epidemics and other crises.

Business Response to the HIV/AIDS Pandemic

As the numbers escalated, it became clear that the greatest tool for combatting the virus was education about what it is and how it can be prevented. The "stay at home" mantra of COVID-19 was "use a condom" for HIV. Of particular concern was that up to 75% of the infected were those between age 25-44, often considered the most productive members of

Figure 1. RESPONDING TO AIDS:

TEN PRINCIPLES FOR THE WORKPLACE

1. People with AIDS or HIV (Human Immunodeficiency Virus) infection are entitled to the same rights and opportunities as people with other serious or life-threatening illnesses.
2. Employment policies must, at a minimum, comply with federal, state, and local laws and regulations.
3. Employment policies should be based on the scientific and epidemiological evidence that people with AIDS or HIV infection do not pose a risk of transmission of the virus to co-workers through ordinary work-place contact.
4. The highest levels of management and union leadership should unequivocally endorse non-discrimina-tory employment policies and educational programs about AIDS.
5. Employers and unions should communicate their support of these policies to workers in simple, clear, and unambiguous terms.
6. Employers should provide employees with sensitive, accurate, and up-to-date education about risk reduc-tion in their personal lives.
7. Employers have a duty to protect the confidentiality of employees' medical information.
8. To prevent work disruption and rejection by co-workers of an employee with AIDS or HIV infection, em-ployers and unions should undertake education for all employees before such an incident occurs and as needed thereafter.
9. Employers should not require HIV screening as part of general pre-employment or workplace physical examinations.
10. In those special occupational settings where there may be a potential risk of exposure to HIV (for exam-ple, in health care, where workers may be exposed to blood or blood products), employers should pro-vide specific, ongoing education and training, as well as the necessary equipment, to reinforce appropri-ate infection control procedures and ensure that they are implemented.

(The Citizens Commission on AIDS for New York-New Jersey)

the workforce (Mock, 1992). Thus in 1985, the CDC began its information campaign by issuing Guidelines for AIDS in the Workplace (primarily for occupations at risk).

Around this time, businesses started to form coalitions to address the AIDS crisis and develop guidelines. One of several regional consortiums was The Citizens Commission on AIDS for New York-New Jersey that developed the "Ten Principles for the Workplace" as shown in Figure 1. By 1990, these principles were endorsed by over 600 companies and organizations and were supported by the National Leadership Coalition on AIDS (Mock, 1992). In general, these principles would be a good place to begin assessing your corporate and stakeholder needs.

Perhaps, the most significant AIDS organization was formed in 1986 when representatives from over 40 organizations met to examine the role of the private sector in combating AIDS. The meeting was co-chaired by the chancellor University of Maryland and the chairman of Transamerica Life. It led to the establishment of the National Leadership Coalition on AIDS. Its mission was to address "HIV/AIDS as a business, labor, and workplace issue, and assess the growing impact of AIDS on employers and employees, business and labor." (National Leadership Coalition on AIDS, 1994).

By 1990, the CDC estimated that only 10% of America's large corporations had a policy to deal with AIDS and the infection rate was approximately one in every 250 people. It was clear that many more corporations, especially multinationals and those with foreign supply chains, would be forced to deal with AIDS in the next ten years (Mock, 1995; CDC, 1991; Shoomaker, 1988; Fortune & Allstate, 1988; Farnham, 1990). The CDC began partnering with and funding many of these new service organizations as well as the American Red Cross, AFL-CIO, trade associations, and church groups (Mock, 1998). In 1992, the CDC formed a free public-private partnership, Business Responds to AIDS (BRTA) to support small, medium and large-size businesses (https://www.cdc.gov/hiv/workplace/index.html).

They also produced the Manager's Kit and the Labor Leaders Kit for distribution. BRTA is now online and has various sections that can be used as models for COVID-19 (https://www.cdc.gov/hiv/workplace/index.html). One of the lessons learned at this time was that major crises need cooperation among corporations, governments, and non-government organizations to be truly effective.

In 1992, an analysis of prior corporate AIDS surveys and articles about corporate activities and policies were conducted by the author in preparation for a later survey of over 300 major U.S. corporations. (Mock, 1992). The main lessons learned from this analysis are:

- That there were a variety of effective approaches--endorsing the ten principles shown earlier, treating AIDS as the company does other life-threatening illnesses, providing education on the virus for every employee, providing counseling teams

for workers and their families as appropriate, and providing donations, leadership, and volunteers. Of all of these, education was most critical.

- The role of the CEO cannot be underestimated.
- The process of developing programs/policies works best when it is a group effort involving a representative from each functional area, differing geographic locations (if appropriate), and possibly outside professionals or consultants.

What to do now

As managers, we want to take care of our employees while remaining economically viable. With a crisis, balancing these two objectives is sometimes difficult. Because of the AIDS pandemic, there is a long, documented history of systematic and effective responses and a plethora of resources that may ease your concerns. Here, briefly, are the lessons learned:

Embrace the Facts Surrounding the Crisis. Find sources you trust; perhaps, global and local government health departments, a company that has a history of exemplary performance with crises, your trade association, respected universities, and union leaders.

Analyze What Your Company and Its Stakeholders Need. Beyond your typical strategic planning, you may want to consider a 4-page checklist of items produced by the CDC, "Pandemic Preparedness Planning for US Businesses." (https://www.cdc.gov/flu/pandemic-resources/pdf/businesses-overseas-checklist.pdf)

Determine What Assistance Is Already Available. Besides your normal contacts, consider government sources, your trade association, and firms in your supply chain.

Put an Action Plan in Place. Emphasize education, collaboration, and compassion.

Look to the future. As time passes, make sure that you include regular checks with your stakeholders and make adjustments as appropriate. If COVID-19 follows the pattern of HIV/AIDS, you will need to do more as managers in accommodating lingering physical and mental problems with your workers and their families.

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Protecting Investors in Tumultuous Times: How Reinstituting the 1938 Uptick Rule Can Make Markets More "Fair and Orderly" as well as "Black Swan Robust"

Janice M. Traflet, Ph.D (Howard I. Scott Research Professor of Management, Bucknell University)

Managerial implications of this historical research

to dilute the potential impact of major crises like wars, pandemics, and other disasters - and to keep the market open and well-functioning in such cases -, prudent stock exchange leaders would benefit by taking steps (such as possibly reinstating the 1938 uptick rule) to improve market fairness and orderliness, and in so doing, strengthen public trust.

"Institutions survive while they serve."
Jason Westerfield, Address to NYSE Institute, 1924.

With the eruption of the COVID-19 pandemic, managers of companies big and small have had to wrestle with a host of massive corporate social responsibility (CSR) dilemmas. Managers of stock exchanges, too, have complex responsibilities to their many stakeholder groups - among them, retail and institutional investors ("the investing public"), listed companies, member firms, the economy, and society at large. While challenging, effective stakeholder management can help organizations navigate through tumultuous times, making them essentially more "black swan robust," to borrow a phrase from Nassim Taleb (2010, p. 322). So how can stock exchanges become more resilient in the face of major crises like wars, pandemics, and other disasters? If Wall Street history is a guide, the key very well may be working harder to ensure that markets are "fair and orderly" in good times and bad. During the Great Depression, in the aftermath of investigations into alleged Wall Street abuses, certain pieces of legislation, like the uptick rule, helped make the playing field more level. Today, reinstituting the uptick rule, which had been removed in 2007, could help improve market fairness and orderliness - as well as perceptions of both traits. As the NYSE learned slowly during the long, lean Depression years, reinvigorating trust in the marketplace, and continually earning that trust - is critically important in order to facilitate a strong and long-lasting market recovery.

Founded in 1792 under a buttonwood tree on Broad Street in lower Manhattan, the institution that became known as the "New York Stock Exchange" (NYSE) grew to embrace the importance of providing a "fair and orderly" marketplace in order to serve their

stakeholders effectively. The Securities and Exchange Commission, created in 1934, also embraced the wisdom of those two attributes for well-functioning exchanges, too, while also often adding in the words "efficient" and "transparent." (See SEC website).

Both terms - "fair" and "orderly" - have broad room for interpretation, but can be loosely defined. Writing in 1941, SEC official Raymond Vernon explained, "A 'fair market ... bears the connotation of a market in which the individual investor need not fear for the integrity of his brokers, the safety of his funds, or the possibility that price movements are being artificially controlled." Vernon went on to define an "orderly" market as "one in which there are no 'sudden and unreasonable fluctuations in the prices of securities' and consequently a market which makes no unnecessary adverse contribution to the well-being of the public at large." (pp. 132-135. See also Wolfson and Russo, 1970; Angel and McCabe, 2013.)

Creating an environment where those attributes tended to flourish, the NYSE in its first hundred years developed a reputation as the preeminent stock exchange in the United States. Public companies desiring to list there had to meet more stringent requirements than lesser exchanges. Big Board leaders were anxious to help protect investors from unseasoned companies, in no small part because they realized that in so doing, they were helping preserve the organization's reputation. Likewise, it was in the Exchange's best interests (not just investors) to patrol the trading floor to make sure everyone was abiding by the same rules and not manipulating stocks. As Jason Westerfield, the NYSE's first Director of Publicity, commented in 1924, "Considerations of self-preservation alone, prompted by intelligent self interest, amply account for the determination of the membership of the NYSE to place their institution above reproach and above suspicion." (p. 9)

While providing a fair, orderly, and transparent market has long been the NYSE's cache, there have, of course, been periods when this has not been the case. Witness, for example, the pools, corners, and other stock manipulations that proliferated in the 1920s market.

Also, obviously, a stock exchange has to be actually open for business in order to provide an effective marketplace. Yet there have been times when the NYSE has closed, either due to its own volition, outside intervention, or technical problems.

Most notably, the NYSE closed at the onset of World War I for a period of four long months. Extremely cognizant of the need to protect the nation's gold supply from being drained by foreign investors fleeing the markets, U.S. Treasury Secretary William McAdoo on July 31, 1914 invoked the emergency currency provisions of the Aldrich-Vreeland Act to shutter the NYSE. (See Silber, 2007). Of course, at the time, very few Americans - probably less than 1 percent of the population - owned any stock, but even then, closing the markets

caused serious repercussions, and even inspired some traders to illegally gather on New Street to serve stockholders desperate to liquefy their positions. Nevertheless,

McAdoo accomplished his aims, and with his guidance, the NYSE successfully reopened on December 12, 1914. NYSE President Noble took pride in the Exchange's role in helping the country, quickly writing a small book about the NYSE's role in averting the crisis of 1914, even though members initially were far from unanimous in thinking closure to be a good idea. (See Noble, 1915; also see Noyes, 1926).

In subsequent years, the NYSE would experience episodic short closures, due to various disruptions or even occasionally, some celebratory events. But the NYSE would never again close for months like at the onset of World War I. After the terrorist attacks on 9/11/01, the NYSE managed to its systems back up and running within just three days. NYSE President Richard Grasso understood the importance to the country of the institution reopening as quickly as possible, and also understood the necessity of enacting measures afterwards to make "Wall Street" more geographically disperse, to prevent the NYSE from needing to close again. The world had changed since 1914; the NYSE could not choose to stay closed for months - the remedy (closure) would likely be far worse than the disease (chaos and disorderly trading, if trading indeed could even take place).

Nevertheless, in early March 2020, during the height of the COVID-19 pandemic, rumors of a possible NYSE closure gained traction, especially after several states began to close down all nonessential businesses, including schools, restaurants, and other institutions, in a frantic effort to contain the virus. Weeks earlier, few had predicted such closures would occur. Might the NYSE be next - closed (either by the Exchange or by the state or federal government) not to stop the spread of actual germs, but to stop a financial contagion?

A closure might exacerbate the panic and compound investor anxieties, making a smooth reopening exceedingly difficult. Besides, if equity investors' dollars were tied up, trapped in a closed market, this would ignite a dangerous ripple effect, as people rushed to other venues like their savings accounts to access their money. Still the rumors persisted, necessitating NYSE President Stacey Cunningham to refute them on CNBC on March 16, 2020.

Exchange leaders like Cunningham would do well to carefully articulate the reasons why capitalism typically is best served by keeping markets open. While upholding the decision to close the Exchange at the onset of World War I, NYSE President Noble later said that it "would have been an unmixed evil" to have closed the NYSE during an earlier crisis, the Panic of 1907. He explained, "…duty dictates a policy of hands off as long as a continuous market persists and purchasers continue to buy as the decline proceeds." (Noble 1915, p. 7). Like Noble, top Exchange officials today need to explain more deeply the historical reasons why markets have in the past closed, and how the securities markets have changed since those

times. Given that a higher percentage of the population is invested in the market than in 1914 or even 2001, the stakes are greater than ever for keeping markets open and well-functioning. To that end, Exchange officials need to take the lead, not relying on the SEC or others, like IEX founder Brad Katsuyama, to find ways to improve fairness and orderliness as markets and technology evolve.

So how has market structure fared during the COVID-19 pandemic? Despite high trading volume, the existing technology has thus far withstood the pressure, with no major problems of delayed stock quotations or order executions. Market volatility, however, has been extreme, with a slew of record point gains and losses in the major indices. Arguably, high frequency trading (HFT), famously highlighted by Michael Lewis in his 2014 bestseller Flash Boys, has exacerbated these wild market swings. For more than a decade, critics have alleged that HFT as well as other practices like dark pools have made markets less fair and less orderly. (See Patterson 2013; Arnuk and Saluzzi, 2012; Macey and Swensen, 2017). Those traders who have access to high-speed data transmission lines can make lightning-speed trades, jumping ahead of slower, smaller investors and "sneaking a peak" at the order book. According to opponents, HFT also has lessened true liquidity, as these traders often exit the market at the time of greatest volatility. For more on the ethical debate underlying HFT, see Angel and McCabe (2013), and also Haigney (2010).

There may, though, be an easy way to slow down HFT, at least to some extent: reinstate the uptick rule. Enacted by the SEC in 1938, during the depths of the Great Depression, this legislation stipulated that a trader could not sell a stock short until it recorded a plus tick - an upward change in the stock's price from the prior sale price. The rule came into play due to a pervasive sense on Main Street that unfair, organized bear raiding had caused the disastrous Great Crash of 1929. Insiders, many feared, had conspired to bring down the market by shorting stocks and then artificially pushing them down. Despite failing to find evidence of organized bear raiding, the newly created SEC decided to prevent shorts from ever being able to unduly beat up a stock that was already falling. (See The ShortSelling Decree, 1938 and Waltman, 1938.) Decades later, in 2007, the uptick rule was repealed even though rule still had served an important purpose, slowing down HFT traders who were trying to sell quickly stocks they were short. Now with the uptick rule removed, they no longer had to wait for a plus tick. Markets moved faster and faster, and the share of trading volume attributable to HFT radically increased.

As Traflet and Gruver (2015) have argued, and as billionaire investor Leon Cooperman recently emphasized (Imbert 1 March 2020), bringing back the uptick rule would help slow things down and make the playing field more level. Left unchecked, HFT-induced volatility might someday precipitate a market closure like 1914, which was exactly what some investors in 2020 worried might happen.

Even during a crisis - perhaps even more so -, opportunities abound for forward-thinking NYSE leaders to better serve their multiple stakeholder groups and in so doing, create added value for society as a whole. Reinstating the 1938 uptick rule might be a powerful step in that direction.

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