Allied Breweries and the development of the area manager in British brewing, 1950-1984

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Abstract

Brewing in the United Kingdom in the years following 1950 saw a shift from a production to a retailing orientation. As part of this shift the emphasis of the role of the area manager started to shift from discipline to development. This article explores the job of the area manager during the period, seeking to demonstrate the weakness in early 21st century accounts that suggest that the area manager serves only as an ‘information relay’ between senior managers and unit managers. Although the evidence is limited, because of problems with the survival of records, it suggests a more complex picture which has implications for area managers in retail and service industries more generally. However, a full shift from a ‘policing’ function was
hampered in some companies by the continuing weight of traditions of control associated with a production orientation. This experience is examined in particular by a focus on Allied Breweries.

Area managers form an important part of many retail and service industries, providing the link between unit managers on the one side and more senior managers on the other. Whilst their importance is hinted at in some historical accounts, and whilst they are of considerable importance in contemporary service organisations, they are difficult to see in both the historical record and contemporary operations. Area managers in brewing are of interest because the industry experienced a secular shift in the years following 1950 from an orientation on production to one on retailing. Whilst some would argue that this shift accelerated after the report of the Monopolies and Mergers Commission in 1989 that forced larger companies to divest much of their estate, there is a danger of under-stating changes in the previous period. It will be seen that the nature of these changes varied from company to company, with important consequences for whether they could take their full part in the undoubted importance of licensed retailing in the 1990s. As part of the changing emphasis on retailing the major companies within the industry increasingly adopted the direct management of their public houses, a development which in turn emphasised the importance of area managers. However as Gourvish and Wilson observe in their seminal history of the industry, *The British Brewing Industry 1830-1980*,

The precise nature of their managerial hierarchies, the directors' areas of responsibility, the functions and status of the salaried staffs, the reporting lines and the control of managers and agents in the breweries' national distribution
networks, the presence (or absence) of accounting and financial expertise in
decision-making and control systems - all remain a mystery.\(^2\)

One objective of this article, therefore, is to make a small contribution towards
rendering part of these arrangements a little less of a mystery. Whilst the discussion is
carried on for the industry as a whole, the focus on Allied Breweries comes because it
illustrates well some of the barriers which companies faced in developing the role of
the area manager. In their case, the barriers were two-fold. As long-standing
employers of managers in their public houses they had a considerable tradition of
house supervision as ‘policing’, a tradition which proved difficult to change. This has
to be set in turn in the continuing prominence of production issues in the strategic
development of the company. Despite the realisation that change was required,
existing traditions and forms of organisation proved resilient. In addition, the records
which have survived for the company and its constituent parts are more helpful in
illuminating the tensions and processes at work than those of other major companies
and they are accessible for a longer period of time. The end of the time period is
selected because, as will be revealed in more detail later, it marks the realisation that
after many years of striving the company had failed to make the change from an area
manager role based on policing to one based on development. When we set this
against the experience of other companies in the industry, notably Whitbread, the
extent to which past traditions hampered current developments becomes clear.

However, the interest goes beyond the particular case, for the importance of the area
manger is alluded to but not explored in detail in accounts of other retailing
environments. Mathias, for example, suggests at a number of points in his exploration
of the rise of multiple retailing that the calibre of inspectors was of particular
importance. Speaking of Lipton’s shops before the takeover by Van der Berghs he observes “An infusion of management skill and strength also had to come at shop inspector level.” However, he also notes the problems of investigating the course of such actions, given the lack of survival of appropriate records. Greenwood notes that the most significant aspect of the brief period of American control of the Boots Company was the instigation of a systematic structure of ‘territory’ managers. These brief appearances in the historical record suggest the importance of the area manager, but little of the nature of their job. This suggests a need for retail historians to explore this area in more detail. Such a need can be supported by contemporary debates on the status of the area manager.

One feature of the modern commercial environment is the widespread use of multiple systems of branded outlets run under direct management. A key enabler of the ‘Macdonaldization’ of society has been area managers, but not only have they remained hidden but increasingly their very existence has been challenged. For some, they are the classic ‘middle’ managers, adding little value but acting merely as relays between senior managers and unit managers. If, with the use of information technology, senior managers can get direct access to information on unit performance and unit managers can be empowered to make their own decisions, runs the argument, then what need is there for the area manager? This is something of the argument presented in Haeckel and Norton’s account of ‘managing by wire’ in which a prime example is the US retailer Mrs Fields Cookies. In this company, business rules are inscribed in software and units managed direct from a head office. For the purpose of this article it is not necessary to adjudicate on these debates, but rather to point out that a key element rests on the accuracy of their portrayal of the area manager in
history. In this portrayal it is argued that such managers have always been simple relays in a chain of command and so were always vulnerable to replacement. By contrast, this article suggests that, based on the evidence presented, area managers were always involved in a more complex process of interpretation. A more rounded picture of the work of the area manager of the early 21st century needs to rest on a more developed conception of their activities in prior years.

We have to recognise the very real problems in providing such a picture. Mathias and others point to the scarcity of survival of staff records and the same is true for the brewing industry.\textsuperscript{9} We are reliant on chance survivals and hints provided in board minutes and those other papers which survive. Discussion of management issues is sketchy in the trade press, although this improved from the 1940s. However, sufficient can be put together to suggest some of the trends at work. The years following 1950 also saw, it will be argued, the beginnings of a shift in the way in which area managers were used which is signified in the linguistic markers. This shift was from control, as expressed in the title ‘supervisor’, to interpretation as expressed in the term ‘manager’. These terms, ‘control’ and ‘interpretation’, are analytical ones that are used to analyse the material rather than descriptive ones. Much work on the nature of management has been concerned with descriptions of what it is that managers do.\textsuperscript{10} In the course of such accounts doubt has been cast on the notion that management fulfils particular functions. However, as Alan Thomas points out, we are unlikely to ‘see’ functions being performed, not least because they are often completed collectively.\textsuperscript{11} Watson notes that managers exist not by virtue of their activities but because of their function for the organization.\textsuperscript{12} He suggests that we need to view management in three inter-related ways: as an activity, as a group of people, and as a function. Control and interpretation enable us to consider the notion
of function in a little more detail. By control is meant a role with a primary function of ensuring that business targets are met. These could be sales targets but, in the earlier period, were more to do with disciplinary issues, such as ensuring that nothing was done to endanger the licence. The argument is that over this period, interpretation became more important. That is, as the companies shifted to a retailing orientation, they became more interested in how house staff interacted with customers, with the presentation of products and with the physical appearance of the house, amongst other matters. Area managers thus became concerned with a wider range of activities. They began to adopt a different attitude towards staff in the house, the balance starting to shift away from discipline and towards development. However, the existing organizational context was crucial in conditioning the nature and depth of this shift, with the argument being that some companies, notably Whitbread, were far more successful than others, notably Allied Breweries, in making the necessary changes.

The article begins its exploration of these trends by presenting an overview of two shifts in the industry: a move towards a retailing rather than a production orientation and a concomitant shift towards the wider use of managers as opposed to tenants in the running of public houses. In this context we then explore a number of precursors, as these shaped the use of area managers. We explore antecedents in the ‘abroad cooper’, the house inspector and the agent. This then forms the context to explore a number of facets of the shift from house supervisors to area managers – changes in the structuring of operations, a move away from stocktaking and discipline towards development, and aspects of recruitment and selection. We then return to the question of information use, with the suggestion that computer-enabled information systems demanded a shift in the role of the area manager from control to interpretation, as they gradually made more information available to house managers. However, the strength
of existing traditions played an important role in conditioning whether organisations such as Allied Breweries were capable of making such a shift.

**Retailing and public house management**

Two features distinguish the sale of alcohol at the beginning of our period: most of it was through public houses owned by breweries, and most of these public houses were run by tenants ‘tied’ to take the products of their landlords. Tenants were obliged to sell the beer (and often other products, such as spirits) supplied by their landlords, but provided that they paid their rent were often accorded a considerable degree of latitude in the way that they ran their pub.¹³ Within the breweries the head brewer was firmly in charge and the tied estate was largely regarded as a distribution network. The inter-war years had seen a number of large brewers - for example, Whitbread and Barclay Perkins in the south, Ansell and Mitchells & Butlers in the midlands and Newcastle Breweries in the north – build large public houses under the banner of the ‘improved public house movement’. These pubs were, by their very size, out of the financial reach of all but wealthiest tenants and so were often run directly by the breweries, employing salaried managers. This gave the companies some limited exposure to alternative retailing techniques, but the experiments were limited and often could be seem to be motivated as much by the need to respond to the still influential temperance movement as by the needs of customers.¹⁴ Allied to nonconformist religious groups and the Liberal Party, the temperance movement had some success in the early years of the twentieth century in restricting drinking opportunities. However, the experience of the Second World War, in which beer and pubs were seen as vital to the maintenance of morale, largely discredited the
temperance message and by 1950 it was no longer a significant factor. More and more breweries now started to become aware, in part thanks to the insistent prompting of the trade press, that there were shifts in leisure opportunities, such as the coming of television, that threatened the previous dominance of their public houses. In 1956, for example, the Chairman’s Executive Committee of Ind Coope was being told that “the back street pub in an industrial area is not likely to be in much demand in two generations.” In the same year, the chairman of Whitbread had caused a considerable stir by declaring in his annual statement that “personally I deplore the trend towards management of public houses but it is the result of changing trading conditions.” This frank response drew praise from the Economist but a reaffirmation of traditional practices from other brewers. Companies such as Ind Coope and Whitbread had begun to explore new types of retail outlet and to engage in market research, but we must be careful not to exaggerate such trends. In 1970, for example, The Times lamented that “The brewers have never had much of a reputation for marketing and consumer research. They have never had to keep their finger very tightly on the pulse of the market because of their monopoly position.” However, the underlying trend was present and with it came changes in the way in which pubs were run.

Traditionally most pubs were run either as ‘free houses’ (that is, by independent business people owning their own house and able to go to any supplier) or as tenanted houses. In some areas, notably Liverpool and Birmingham, houses had been under direct management since the nineteenth century and this practice had spread further during the inter-war years. Direct management meant a commitment to heavy overhead costs, but gave tighter control of activities in the pub, as well as both the
wholesale and the retail profit. The practice gained a boost in the 1950s because of the desire of many pub owning brewers to offer a wider range of products, notably food. Not only did this require capital investment to provide the necessary facilities, but it also needed selling and other skills on the part of those running the pubs.\textsuperscript{22} In 1965, for example, the Whitbread board was told of “the necessity for improving our selling methods in Tied Houses.”\textsuperscript{23} One means of doing this was to replace the tenant with the manager, and this was an increasing trend during our period. Two surveys completed by the Brewers’ Society enable us to measure something of the scale of the shift towards management over the period.\textsuperscript{24} The first was a return for internal purposes; the second was prepared as a confidential briefing document for discussion with the Government. Table I presents the summary figures.

\begin{table}[h]
\centering
\begin{tabular}{lcccc}
\hline
 & Companies & Managed public houses & Total public houses & % managed \\
\hline
1960 & 221 & 11,528 & 59,412 & 19.4 \\
1971 & 40 & 16,024 & 57,057 & 28.1 \\
\hline
\end{tabular}
\caption{Brewers’ Society members’ houses under management, 1960 and 1971. \textsuperscript{a}}
\end{table}

The 1960s saw a great wave of mergers out of which emerged six major national brewers owning large pub estates. These six companies – Allied Breweries, Bass, Courage, Scottish & Newcastle, Watneys and Whitbread – swallowed up large numbers of regional breweries, clearly visible in the steep decline in the number of individual companies. (A seventh company, Guinness, also supplied beer on a national scale, but owned only two outlets at production sites. Its experience is not covered further here, as selling to other breweries and wholesalers posed a different
set of problems to those explored here of controlling and developing activities in the public house.) The 1960 return is interesting in that it was completed before the great wave of mergers that swallowed up so many regional breweries. It therefore enables us to see where management was at its strongest. 24 breweries had over 60 per cent of their estate under management. Of the ten with over 90 per cent in management, six were in Scotland, two in Liverpool, one in Newcastle and one in Manchester. These were, then, the traditional strongholds of management, but we need to add Birmingham. Ansells and Mitchells & Butlers may have had lower proportions under management (given larger overall estates) but, with managed estates of 910 and 776 houses respectively, these were the giants of the ‘managerial system’, joined in scale by Newcastle Breweries with 423 managed houses and Scottish Breweries with 556. House management was, then, as much a function of regional tradition as it was of size, as we can find some very large companies with very little of their estate under management.

<table>
<thead>
<tr>
<th>Company</th>
<th>Total public houses</th>
<th>Percentage managed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ind Coope</td>
<td>4,570</td>
<td>13.83</td>
</tr>
<tr>
<td>Courage &amp; Barclay</td>
<td>2,040</td>
<td>5.98</td>
</tr>
<tr>
<td>Watney Mann Ltd</td>
<td>1,937</td>
<td>6.09</td>
</tr>
<tr>
<td>Charrington &amp; Co</td>
<td>1,607</td>
<td>3.73</td>
</tr>
<tr>
<td>Walker Cain Ltd</td>
<td>1,299</td>
<td>38.41</td>
</tr>
<tr>
<td>Bass Ratcliffe &amp; Gretton</td>
<td>1,200</td>
<td>20.00</td>
</tr>
<tr>
<td>H &amp; G Simonds Ltd</td>
<td>1,135</td>
<td>11.10</td>
</tr>
<tr>
<td>Bristol Brewery Georges</td>
<td>1,099</td>
<td>1.09</td>
</tr>
<tr>
<td>Anse尔斯 Brewery</td>
<td>1,088</td>
<td>83.64</td>
</tr>
<tr>
<td>Mitchells &amp; Butlers</td>
<td>972</td>
<td>79.84</td>
</tr>
<tr>
<td>Phipps Northampton Brewery</td>
<td>958</td>
<td>24.63</td>
</tr>
<tr>
<td>Truman Hanbury Buxton &amp; Co</td>
<td>949</td>
<td>7.06</td>
</tr>
<tr>
<td>John Smith's Tadcaster Brewery</td>
<td>909</td>
<td>22.99</td>
</tr>
<tr>
<td>Scottish Brewers Ltd</td>
<td>814</td>
<td>68.30</td>
</tr>
<tr>
<td>Wilsons Brewery</td>
<td>812</td>
<td>30.54</td>
</tr>
<tr>
<td>Steward &amp; Patterson</td>
<td>778</td>
<td>2.44</td>
</tr>
<tr>
<td>Hammonds United Breweries Ltd</td>
<td>754</td>
<td>12.07</td>
</tr>
</tbody>
</table>
Table 2 gives the proportions for companies with over 750 pubs in their estates and indicates wide differences in practice, with companies such as Charrington, Steward & Patterson and Bristol Brewery Georges having very low numbers under management. Whilst some of this can be accounted for by the nature of the estate – most of Steward & Patterson’s houses, for example, being in rural East Anglia – brewers with large urban concentrations also fought shy of direct management. Of particular interest are the predominantly London brewers like Charrington, with Watney and Truman also having relatively few managed houses. The noteworthy exception here is Whitbread. This is not shown in the table because it only had an estate of 569 houses, but 16.7 per cent of these were managed. Given their extensive involvement with the ‘improved public house movement’ the proportion was still low, but is indicative of what was to come. Figures within Ind Coope, for example, indicate the trend towards managed houses, and this is particularly noticeable in London. Whilst the overall percentage of houses under management climbed only slowly from 15 per cent in 1964 to 17 per cent in 1969, in London the figure moved from 14 per cent in 1964 to 21 per cent in 1967 and 25 per cent in 1969. The relative speed of this change from a low base brought protests from tenants’ leaders in the early 1970s, especially when Watneys engaged in a fairly heavy-handed process of conversion from tenancy to management.

Of course, we lose the regional detail in the 1971 figures, by which time the mergers of the 1960s had produced six companies of national scale and reach. However, the
1971 list, unlike its 1960 predecessor, had been categorised by type of company and if we summarise it using the Brewers’ Society headings, we get the figures in table II

<table>
<thead>
<tr>
<th>Companies</th>
<th>Managed</th>
<th>Tenanted</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large</td>
<td>7</td>
<td>13,609</td>
<td>31,236</td>
<td>44,845</td>
</tr>
<tr>
<td>Medium</td>
<td>7</td>
<td>1,598</td>
<td>5,073</td>
<td>6,671</td>
</tr>
<tr>
<td>Small</td>
<td>17</td>
<td>565</td>
<td>3,566</td>
<td>4,131</td>
</tr>
<tr>
<td>Unquoted</td>
<td>9</td>
<td>252</td>
<td>1,158</td>
<td>1,410</td>
</tr>
<tr>
<td></td>
<td>40</td>
<td>16,024</td>
<td>41,033</td>
<td>57,057</td>
</tr>
</tbody>
</table>

From these figures we can see how the large companies (which in this case also include Guinness) were making a much greater commitment to the managerial system, and in the account which follows we will see how the learning spread within the newly merged companies. One form of learning was about the ways in which this growing number of managed houses could be supervised. We can follow some of this process by exploring the experience of Allied Breweries in a little more detail.

**Allied Breweries and the dominance of production**

Allied Breweries was one of the ‘big six’ which emerged out of the merger movements of the 1960s. It was formed by the defensive merger of three major regional breweries – the Birmingham brewers Ansell’s, Tetley Walker of Yorkshire and Lancashire, and Ind Coope. The latter was the driving force behind the company and was one of the few companies in the industry following 1950 with aspirations towards national coverage. With breweries in Burton and Romford, its major areas of
influence were in the south and east of England, but it had during the course of the 1950s acquired a number of regional breweries. It was also interesting in an industry dominated by family owned and influenced companies in having a board responsible to more anonymous shareholders. Despite the presence on the boards of a number of titled figures, it was in practice run by executive directors and shaped by the powerful figure of Edward Thompson. He had succeeded his father Neale as managing director and became chairman in 1955. Under his leadership Ind Coope increased the role of executive directors on the board as well as extending the ranks of non-executive directors to those with commercial as opposed to aristocratic connections. As part of these shifts the company made structural adjustments, creating, for example, a Managed House Committee under the control of the director Bernard Carfoot and promulgating a series of policies to increase the importance of retailing.

However, there was a tension at the heart of the company that proved to be a major barrier to a shift towards retailing and hence to the development of the role of the area manager. We have already seen above that there was awareness at board level that the nature of the pub was changing. In response to the Whitbread statement in 1956, ‘It was agreed that the Company's policy should be to increase our Managed House estate.’ This even prompted the then radical suggestion in 1957 that the board consider splitting the company into divisions for production, sales and estate. Such a move might mean that they could ‘obtain a clearer impression of the earning capacity of the various sides of the business' as well as making ‘for easier management both in connection with direction and in the training of personnel.’ Such a move would have been a radical departure from the long standing tradition of vertical integration in which the leading role was very definitely that of the brewer, a departure which
was not to happen in the industry until first Grand Metropolitan (by 1972 owners of Watneys) and then Whitbread separated out their managed houses to be run as an independent national operation. However, this step was not taken because of the continuing primacy of another target: national domination in branded beers. In 1956 Edward Thompson had announced to his executive directors that

in his view, we should, over a period of years, aim at establishing a lead in technical development and improving our methods of production marketing and packaging in order to increase our free trade in priority to investing further monies in individual tied houses. It was only in this way that we should go ahead of Bass.31

The realization of this strategy led to reciprocal arrangements with other brewers being concluded. In some cases this meant that in returning for stocking Double Diamond from Ind Coope in their outlets, brewers would offer their beers for sale in Ind Coope pubs. In some cases, however, Ind Coope felt that there was little market for such beers and had to offer public houses as a substitute. Another means of expanding the sale of beers like Double Diamond was the acquisition of other companies. In 1957, for example, Benskins of Watford was acquired and the immediate action was to remove Bass, Carling and Worthington from sale. However, such moves brought with them large estates of houses which were often not in line with the general policy of shifting towards greater management of the estate. Of some Benskins 600 public houses, only seven were under management.32 In other words, the objective of expanding sales in terms of branded beers was given priority over the broader development of the estate.
It could be argued that these tensions were resolved by the merger movements of the 1960s in favour of production. At the end of the 1950s Ind Coope had considerable success with its lager, Skol, notably in the Scottish market. However, this success was threatened by the activities of the Canadian entrepreneur Eddie Taylor. Taylor was promoting his rival Carling lager through the mechanism of encouraging mergers within the industry. In 1960 the Ind Coope Committee of Management, noting ‘The E. P. Taylor threat and his saturation promotion techniques’ was warned that ‘This summer may well provide the last chance of dominating the Home-brewed lager market.’ Despite concerns about the quality of the tied estate, this brought closer links with Ansells. These were taken further in March 1961 with merger negotiations ‘in the unlikely setting of an open field in the Derbyshire Peak District over an informal picnic.’ This brought about the creation of Ind Coope Tetley Ansells, which was envisaged as a ‘commonwealth’ of brewers each with their regional strengths. Ansells was one of the major Birmingham brewers with a preponderance of managed houses in its estate. Tetley Walker was, by contrast, a more recent amalgamation of two very different companies. Tetley dominated Yorkshire with its tradition of high quality beers sold largely to the free trade. By contrast, its recent partner, Walker Cain, dominated Merseyside with its managed houses. ICTA, soon to be renamed Allied Breweries, was thus a rather uncomfortable alliance of three large companies. Whilst it was to be Ind Coope which effectively took the lead, Thompson being chairman of the new company, the legacy proved to be a concentration on production in a company still dominated by regional traditions. One symbol of the continuing emphasis on production which marked the new company was the career of Bernard Kilkenny.
Kilkenny was the son of the owner of Benskins Brewery, which as we have seen was acquired by Ind Coope in 1957. Starting as Watford Production Manager after the takeover, he soon became assistant to Neville Thompson, Edward’s brother and Technical Director of Ind Coope. In 1962 he was appointed Brewing Director of Ind Coope as a subsidiary of ICTA. Two years later he joined the main board, becoming chairman of Allied Breweries in 1975. An indication of his continuing priorities can be seen in his statement in 1976 that ‘it was essential to provide production resources to meet the targets in later years’, despite an earlier report that sales were flat and that for the industry as a whole there was ‘no evidence of an upward trend’. A subsequent review carried out in 1984 concluded that the company suffered from ‘Misconceived investment in Production/Distribution in the 1970s, causing capacity imbalances and failing to reduce costs’. Disagreement over this focus on production seemed to be at the root of the resignation of Kilkenny in 1978. In an unusual move for the industry, he joined the board of Scottish & Newcastle, reports citing ‘differences in management philosophy’. His personal reasons for the shift may have included the continued commitment of the Scottish company to the vertical integration of brewing and retailing. However, for our present account the interest is in his embodiment of the powerful commitment to production rather than retailing in the affairs of Allied Breweries. Of course, a similar commitment was part of the heritage of many other companies in the industry, but in Allied Breweries it was reinforced by a policing orientation on the part of its area managers. In order to understand this orientation and its impact, we need to explore the antecedents of the area manager in the industry in general and in Allied Breweries in particular.
The antecedents of area management

We can categorise these antecedents under three broad headings: the ‘abroad cooper’, the house inspector and the agent. One problem for breweries was that the quality of their product, which was still ‘live’ in the casks supplied to landlords, was dependent on the cellar management skills of their tenants. However, any adverse reputation would be likely to attach to their beer rather than to the landlord, and so they needed a means of ensuring quality. In the London breweries in particular, where most of the estate was at least nominally free, (trade being secured by means of loans rather than by ownership), the ‘abroad cooper’ was sent out from the brewery to check on how beer was being kept (the cooper being the tradesman who constructed the wooden barrels in which beer was supplied). By 1899 the role within at least one brewery, Watneys, had expanded, with a director recalling that “these Abroad Coopers (or ‘Broad Coopers’ as they were commonly called) combined the duties of District Managers with collecting and attending duties.”

While the *Brewers Journal* in 1937 was announcing that “gone, is the ‘abroad cooper’ – or almost so – who was, generally speaking, a collector’s assistant, and went ‘abroad’ to the various houses”, the title still survived. In 1959, for example, Mathias noted that “In Truman Hanbury Buxton the district managers are still called the 'abroad clerks' after their eighteenth-century forebears who supervised the monthly collections from publicans; at Whitbread there are still 'abroad coopers’”. Apart from indicating the very important force of tradition in this industry, what these survivals might also point to is the roots of area management in some companies in the assurance of product quality and in account collection, rather in retailing. This was recognised at an early stage by Sydney Nevile of Whitbread, whose early attempts to develop training for those running public houses went under the heading of ‘Cellar Management’. He
acknowledged that “the scope of that technical education would have to go very far beyond the handling of fermented beverages, and it should eventually include the handling of refreshments, elementary law, some knowledge of accounts, and the many other matters which touched the licensed trade.”\textsuperscript{45} However, training courses for the retail trade were still dominated by technical issues into the 1950s, with one commentator observing that “quite honestly, the majority of us who are retailers never think for long about the art of selling. We are far too content to leave that side out of our calculations.”\textsuperscript{46} The technical-inspection aspect of the antecedents of the area manager thus had a considerable impact.

However there was another model, but one which in this case had an emphasis on discipline. This was the model developed by those breweries which directly managed their public houses, especially those in Liverpool and Birmingham. Here the model drawn upon was that of the police, with titles like ‘house inspector’ and ‘managed house superintendent’\textsuperscript{47}. Other terms were used – in Liverpool, Robert Cain’s area managers were the ‘walking managers’ – but the function remained broadly the same – to ensure that discipline and adherence to company procedures were maintained.\textsuperscript{48} In some companies the inspector also collected cash and took stocks. In most companies, however, stocks were taken separately but house inspectors were often drawn from the ranks of stocktakers. The use of information about stocks was, as we will see, a central part of the disciplinary weaponry available to the area manager. This focus on discipline and the use of information was an enduring legacy of the managed house system, but there were signs even here that some change was necessary. In 1923, for example, Alexander Part, general manager of Barclay Perkins’ newly established managed house division argued that “it should be part of their duty
to keep statistics." In one of the rare discussions of managerial activities in the trade press, the Brewers Journal in the following year argued that breweries should consider their house inspectors as more akin to ‘experts’ or business advisers.  

This was an attempt by the journal to generalise from experience with managed houses to the brewery estate more generally, arguing that tenants could also benefit from such a system. However, what was of more importance in the tenancy system here was the persistence of the agency as a form of business organisation. Again, we see the survival of linguistic forms beyond changes in content. In Allsopps, later a constituent part of Ind Coope, the shift from independent agents who stocked the company’s products alongside those of others to salaried managers began in the 1860s, but the term persisted well into the 1950s. In Ind Coope, for example, the estate was organised in a patchwork of companies and ‘agencies’. This was more of a holding company structure than an integrated company. To take one example of many, in 1948 a decision was “approved by the Committee, initialled by the Chairman and recommended to the Board of Showells Brewery Company Limited for approval.” This patchwork of responsibilities meant that agency reporting was patchy and there was no clear oversight of the estate. In particular, agencies and constituent companies were generally centred on a brewery which supplied a mixed estate of tenanted and managed houses. This devolved structure of vertically integrated local companies meant that it was difficult to carry out national retail policies in any consistent manner. The process of change began with the reorganisation of the estate into a number of regions, with a director responsible for each. In 1953 it was decided “to vest wide powers analogous to those of a Managing Director in Group Captain B. G. Carfoot in connection with the Managed House and
Hotels side of the business but subject to the approval of the Committee of Management in matters of policy.\textsuperscript{53} This saw the beginnings of a more systematic approach to house supervision, but the managed and tenanted houses were still part of a mixed estate controlled by an agency, often with a brewery at its heart. In 1923 Part had advocated the creation of a separate managed house department, and this was the practice of several of the Birmingham and Liverpool companies, but the legacy of the agency was still a powerful one. Indeed, the mergers of the 1960s saw the disappearance of many such dedicated departments as the industry struggled to find appropriate forms of organisation and the final separation of the retail estate from the production activities of most breweries was not to occur until the 1980s or after. However, the changes exemplified by Ind Coope at least brought a renewed focus on the nature of the area manager’s position.

\textbf{Area managers, control and information}

One key aspect of the merger movement was the opportunity that it gave for learning within the new companies. This was important in an industry which had traditionally been relatively closed to influences from outside.\textsuperscript{54} The trade press tended to focus on issues of trade defence, understandable in an industry under constant public scrutiny, but not an approach likely to encourage the development and sharing of new managerial practice. However, the corollary of this learning was that it was heavily conditioned by existing traditions, traditions which, as we will see, were heavily influenced by the policing orientation of area management. One aspect of this that is noticeable is the scale of operations that these managers were expected to oversee. As a means of comparison, it can be noted that in one company in the 1990s area managers generally had between 16 and 18 houses to look after.\textsuperscript{55} In Liverpool in 1959 the minutes of Walker Cain note the appointment of two assistant managers in
the managed house department, “each to supervise two hundred houses.” It is not clear whether this was through house supervisors, but in the successor company, Tetley Walker, area managers were to be responsible for 300 houses each with the support of supervisors who were expected to run 70 managed houses or 120 tenancies. In 1962 Joshua Tetley created a Managed House Department for the first time with the following responsibilities:

<table>
<thead>
<tr>
<th>Area</th>
<th>Number of houses each</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leeds (2 supervisors)</td>
<td>36</td>
</tr>
<tr>
<td>Manchester, Preston and Liverpool</td>
<td>48</td>
</tr>
<tr>
<td>Sheffield, Rotherham, Doncaster and Chesterfield</td>
<td>26</td>
</tr>
<tr>
<td>Hull</td>
<td>13</td>
</tr>
</tbody>
</table>

It is interesting to note that this constellation was decided on following visits to the new component parts of the merged company. One of the key visits was to Ansells in Birmingham where supervisors controlled both managed and tenanted houses, each supervising on average 68 managed houses and 19 tenancies. What can be seen from these examples is the large numbers of houses, which suggests that supervision rested on a policing base rather than on a detailed engagement with activities at house level. An indication of this style can be obtained from this account, given by a former Birmingham supervisor from the 1960s:

One of the first things you did and this is in the mid-sixties, you took the manager into the cellar and I’ve literally, I have actually copped hold of a
manager by his lapels and decked him. There was a much more aggressive [style] but you would also say to the manager you can take six pence in the pound out of the till. If you take seven pence out of the till I shall have you in this cellar and I shall thump the living day lights out of you. If you take five old pence out you are equally as big an idiot as I take you for because I’m telling you I shall look the other way.  

This direct approach was supported by control over information, particularly that relating to stocks. The same former house supervisor, when asked about information, especially that about the stock position, responded ‘Right, knowledge is power so the district manager wouldn’t take that back down to the house’.  

This control over stock information was at the heart of conflicts between the newly emerging group of house managers and their employers. In Tom Berkeley’s fictionalised account of a new manager entering a house in the 1950s it is explained that all the invoices are held at head office:

“Then how d’you know what profit the house is making?” I asked.

“You don’t,” he smiled. “They take good care o’that; but you soon find out if it aint enough.”

This was policed by the house inspector and information about stocks was used to stimulate performance. As Berkeley’s manager complained

Admittedly, we were not getting the percentage per barrel mentioned by Mr Handen, but we had considerably increased the aggregate profits of the house:
yet, every other month the directors saw fit to flog their willing horses - meaning Irene and myself - by saying the stocks were short.63

Such insights are fictionalised, but they ring true with the complaints registered on a frequent basis by licensees’ representatives with the Brewers’ Society. For example, Leonard Percey, General Secretary of the Licensed Victuallers Defence League, wrote in 1954 to note that he was disturbed “by the number of instances in which allegations of bad stocks are made against Managers by Brewers without the latter being prepared to produce the figures on which such allegations are based.” 64 These complaints continued through the period, with area managers being identified as part of the problem in 1968. The Brewers’ Society found it necessary

strongly to recommend all members of the Society to review their arrangements for stock-taking and to ensure that their outside or district managers acted reasonably when shortages became apparent, having regard particularly to the managers' difficulties over staff.65

Of particular interest here is the note on an agreement with a house manager drawn up by Boddington’s Brewery in the early 1970. It stipulates that any problems “be raised either orally or in writing with your immediate superior (Stocktaker.) If he is unable to settle the matter, he will refer it to the Managed House Supervisor, who, if he in turn cannot settle it, will refer it to the Director responsible for Managed Houses.” 66 What this suggests is the continuing centrality of stock taking. It is also interesting to note that the manager of the department is termed the ‘supervisor’. A typical route into area management was through stock taking or audit. The former area manager for
Bass in the 1960s, for example, had worked in the Licensing Department before taking charge of an area of 24 pubs in the 1960s. When asked whether house managers ever became area managers he observed “Very occasionally. That was not particularly acceptable because the areas were so small [that] you were known and it was felt that you couldn’t transfer from being a soldier to an officer.”

What is interesting here is partly a reminder that the system worked in urban areas because of a geographical concentration of pubs but also the metaphor drawn from army practice. The association of the area manager role with control and discipline, supported by the use of information, was a powerful and continuing one.

Those companies which had long employed house managers had evolved complex systems for the monitoring of house performance. These were centrally concerned with ensuring that sales were accurately accounted for in an industry where stocks had a high value and could easily be converted into cash, and in which transactions involved large sums of cash in small denominations. Thus, Ansell in 1961 employed 23 stocktakers as against 16 house supervisors, supported by 16 stock clerks. Stocks were taken once a month in each house and the results were expected to be supplied to area managers within two to three days. They could be then used to monitor house performance, but not to explain to house managers how to improve performance. In 1956 Ind Coope had taken on more stocktakers “to deal with the steadily increasing Managed House estate.” In Mitchells & Butlers these results were processed using accounting machines by 1958 to produce trading accounts for each house. However, the replacement of these machines by computers saw the focus on purchasing and sales systems, especially for the growing ‘off-sales’ to supermarkets and off-licences. The first computer ordered by a UK brewery was one used to track stock movements between production and distribution ordered by Scottish & Newcastle in 1962.
1965 Courage had used one to produce sales statistics and was planning to move on to managed house accounts. However, this process was by no means easy and in 1970 Scottish & Newcastle were reporting that

At the beginning of the year under review we brought into service a third generation computer, and introduced a computer based system of invoicing and billing our customers. With hindsight it is clear that we underestimated the magnitude of the problems which such a step involved and were further handicapped by a series of failures in the equipment itself.

This meant that progress in supplying more detailed information at the level of the house was far from easy. What was still harder was shifting the use of this information by area managers from a policing to a development orientation.

In 1965, for example, the Birmingham brewers were concerned about the increasing proportion of their public house managers who were joining trade unions. They were particularly concerned about the potential incursions of the Transport and General Workers Union, raising the spectre of concerted action in both brewery and distribution network. Their response was to encourage the better organisation of local Licensed Victuallers Associations, with the formation or strengthening of sections for managers with whom the brewers could negotiate. However, at the root of tensions between managers and brewers were ‘overenthusiastic but misguided supervisory staffs.’ This was to be tackled by training such supervisors ‘to lead and encourage rather than push or threaten the manager’. This was to be backed up by the formulation of a code of conduct ‘to be observed by all supervisory staff in their dealings with managers.’ Of central importance was the concern
to examine the methods of stocktaking at present used and to find a method which keeps the manager informed and satisfies him about the position whenever stock is taken.\textsuperscript{76}

These initiatives found some favour in wider circles. In 1974, for example, a Brewers’ Society briefing document argued that all house managers should be provided with full profit and loss accounts and noted that “this is common practice in Bass Marketing Companies already.”\textsuperscript{77} Such recommendations were part of the agenda of the ‘modernisers’ within the Brewers’ Society who saw them as part of their campaign to raise the status of house managers. In 1969 a briefing note pointed out that a key aim of the Brewers’ Society was “to build up the status of the public house manager who is becoming an increasingly important figure in the industry and whom it is more than ever important to identify as part of the brewery management team.”\textsuperscript{78}

In such attempts it was realised that this also required attention to the role of the area manager. What was required was a shift away from a policing towards a more developmental role. Such changes had been happening within some companies for some time. In Ind Coope, for example, the need to raise the standard of supervision was recognised in 1955 and in 1956 a training syllabus was drawn up.\textsuperscript{79} In 1961 “so as to relieve Managers of Managed House Departments of day-to-day routine office work and thus enable them to carry out their supervisory duties more efficiently” the managerial workforce was split into trade managers who would be solely concerned with “day-to-day supervision and control” and others who would have administrative and stocktaking roles.\textsuperscript{80} Of course, the emphasis here was still on control, but in the same year the company created a central Managed House Services Advisory group
which was to oversee policy decisions and results in the managed houses.\textsuperscript{81} In the following year the proposal to set up a Managed House Department at Tetleys noted that “it is necessary to spend time with each manager, at his house” in order “to guide and assist managers to increase Sales at the same time closely watching the profitability of houses.”\textsuperscript{82} We can see in these changes some harbingers of the shift towards a more developmental role for area managers. However, we also have to be aware of the limits to these changes. In 1984 Allied Breweries conducted a far-ranging review of their strategy. This observed that

The industry has bought large quantities of consumer research for years, indeed decades, and has been thoroughly familiar with the views of its pub customers …. Yet the significance of the information has never been properly appreciated, still less acted upon. It is an indictment of AB and the whole industry that so little has been done to raise retailing standards and to set out in a properly professional manner to give pub customers want they want.\textsuperscript{83}

The whole thrust of the review was to argue that Allied Breweries had to execute a decisive turn to placing retailing at the heart of its strategy and that central to this was the further development of both managed house operations and the role of the area manager. It recognised the central importance of the area manager, but suggested that they were ‘frequently of a low standard or are poorly motivated as a result of routine drudgery in their jobs.’\textsuperscript{84} The solution was ‘to reduce the absurdly wide span of their current duties, minimise bureaucracy and eliminate the sterile policing mentality which together have done so much to destroy their motivation and keep retailing standards low.’\textsuperscript{85} This is a savage indictment of the lack of progress within the
company since the deliberations of the Birmingham brewers 20 years before. However, these failings have to be seen in the context of the weight of both the previous traditions of area management, established in some parts of the company since the mid-nineteenth century, and of the continuing focus on production which led to neglect of both the estate and managerial practice. Whilst Allied Breweries made some tentative steps towards retailing, these were limited compared to the changes implemented by others across the sector, as reviewed below. In the 1990s Allied Breweries was one of the early adopters of themed and branded pubs, being a pioneer in, for example, the development of ‘Irish’ bars. However, its initiatives lacked conviction and, it could be argued, failed to reach their true potential because of a lack of investment in the underlying infrastructure. This failure to really embrace the organizational consequences of retailing was a contributory factor to its eventual decision to leave the sphere of licensed retailing altogether in the late 1990s in favour of a focus on the production and marketing of global branded drinks.

**Conclusion**

It has to be accepted that the evidence on which this account presented is based is slight. The nature of record retention in companies means that it is rare to get material that directly concerns the status and activities of area managers. There is much more, for example, on house managers as they had representative bodies pressing their case with trade associations such as the Brewers’ Society. This means that all we can do is draw inferences from the limited material that we have. In drawing these inferences we have to recognise that a major concern amongst brewing companies was in structuring their operations to cope with the major mergers which reshaped the industry over the period. This saw the emergence of six major integrated companies
whose task was to design suitable structures to match their newly acquired national reach.\textsuperscript{87} Of all these companies it was only a new entrant to the industry, Grand Metropolitan, which organised at least its managed houses in a separate division. Whilst Whitbread during this period moved to regional structures, the other companies tended to persist with vertically integrated versions of their constituent companies with a focus on production efficiency. In turn, it was Whitbread who established a national managed house division in 1984 with the benefit of an influx of disaffected staff from Grand Metropolitan’s Chef & Brewer division. It is noticeable that Whitbread seemed to have a greater measure of success in its retailing operations, given its historically small estate and commitment to the free trade. This meant that it had not built up the same traditions of policing in the running of its estate which, allied to its historically metropolitan and open attitude to innovation, meant that it seemed to adopt the new emphasis on development more successfully. However, our period generally saw the increasing importance of the managed house and with it changes in the nature of the area manager’s job.

The account presented has contributed some of the detail on managerial hierarchies in this industry that was called for by Gourvish and Wilson.\textsuperscript{88} What this detail indicates is the wide variety in practice across the sector. Developments in management practice were not some sort of blind reaction to environmental forces, but were conditioned by the weight of taken-for-granted practice and ideas built up over long periods of time. Market positioning played some role in this, as companies like Allied Breweries and Bass which had grown up supplying the heavy industrial markets were much slower to respond to the need for change than others with less established markets. However, the weight of internal practice was also important. In all the vertically integrated companies there was a powerful legacy of the predominance of
brewing, but this was reinforced in companies like Allied Breweries by traditions of policing in the operation of a network of outlets that were seen more as a distribution channel than as a retailing operation.

This historical conditioning continues to play a role in the nature of the area manager’s function in contemporary licensed retailing. Whilst this function is now much more one of development rather than policing, the role as a whole remains relatively neglected. However, rather than fading away as some of the more extreme predictions about the nature of ‘middle’ managers would suggest, the role has gained in importance. One of the key issues for such managers lies in the interpretation of the information supplied by the computer-based systems which they use. The argument deployed by those who predict the demise of the middle manager is that historically such managers were simply information relays, whose function can be replaced by electronic means. However, our review of area managers and information indicates that it was the advent of computers that actually resulted in area managers becoming part of an information chain. Before that date they were the end point for the distribution of information. In part, computers were used to bring information down to the house level and to assist in the reshaping of the area manager’s job. In this reshaping they moved from being primarily concerned with discipline, in which they used information as a weapon to control house managers, to being more concerned with interpretation, in which they had to share information with the house manager and use it to assess business performance. However, the degree to which they made this journey varied substantially from company to company. The evidence presented here suggests that in Allied Breweries they had barely begun to embark on the journey by the mid-1980s, something which may have contributed to the company’s eventual exit from licensed retailing in the late 1990s.
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4 Ibid., 249


10 Classically, Henry Mintzberg, The Nature of Managerial Work, (Hemel Hempstead, 1980 [1973]).


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Only a few small companies remained outside the ambit of the Brewers’ Society during the period, so these figures represent the vast majority of brewer-owned houses. In 1961 the total number of public houses was 77,767; in 1971 73,116. The difference is therefore largely the number of ‘free’ houses.

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64 Leonard Percey to General Wemyss, 30 August 1954, MSS.420 Box 413 BLRA.

65 Management and Hotels Committee of the Brewers’ Society, 9 Jan. 1968. MSS.420 Box 413

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78 Briefing note, H E Hunter-Jones to County Brewers Association, 8 April 1969, MSS.420 Box 413.


81 Ibid, 6 Nov. 1961.


83 Allied Breweries, Review of Strategy, 1984, 47.

84 Ibid., 53.

85 Ibid., 53.


88 Gourvish and Wilson, British Brewing.

89 My evidence for this contention comes from my experience as a judge in the 2004 National Industry Training Awards organised by the British Institute of Innkeeping. One of the surprises in acting as a judge looking at the provision of training for area managers was the paucity of schemes entered for consideration, something which caused the industry judges some concern.