# Industrial Management and the Crisis of Managerial Expertise in Economic Transformation: A Case Study of the Czech Footwear Industry

Vítězslav Sommer

ABSTRACT This article examines how Czechoslovak managers coped with the collapse of the centrally planned economy and the rise of capitalism in the late 1980s and early 1990s. The aim of this text is to analyze how the rapid change in political and economic conditions transformed a specific expert culture that was distinctly technocratic in nature. As a case study the article uses the shoe company Svit Gottwaldov (after 1989 Svit Zlín). The objective of this article is to apply the conclusions of previous research on the managerial class and technocracy in late socialism and post-socialism to the analysis of events within a specific industrial sector. The analytical perspective proposed here serves to complement existing knowledge with research on experience grounded in a specific regional and industrial expert milieu. This article shows that the activities of managers in the era of economic transformation, their long-term plans and their momentary decisions were the result of a complex and ambivalent interaction of continuities in managerial practice and thinking.

KEYWORDS history of expertise, technocracy, economic transformation, management, footwear industry, state socialism, post-socialism

Using the example of a specific industrial firm, this article examines how Czechoslovak managers coped with the collapse of the centrally planned economy and the rise of capitalism in the late 1980s and early 1990s. For managers accustomed to operating not only in a different economic system but also in a different managerial culture, the return of capitalism to the former Eastern Bloc countries was a major challenge. The speed of change meant that they had to learn quickly the rules of a new economic and political system. This article examines how the rapid change in political and economic conditions transformed a specific expert culture that was distinctly technocratic in nature.

The article considers managers to be not only actors in charge of the organization of work in industrial enterprises, but also bearers of political power that was based on their

Sociální studia / Social Studies 1/2025. S. 49-67. ISSN 1803-6104. https://doi.org/10.5817/SOC2025-41007

<sup>&</sup>lt;sup>1</sup> This article was funded by the Czech Science Foundation (GAČR) as part of the project No. 24-11298S (Deindustrialisation and the new economic order. The regional economy and the Zlín shoe industry between central planning and the market economy) at the Institute of Contemporary History of the Czech Academy of Sciences.

expertise. Managers were part of the technocratic class that emerged in state socialism in the post-Stalinist period and was fully formed during the so-called consolidation after 1968. Their position in the power hierarchy of state socialism was determined by their key role in the economic sphere. Managers were tasked with implementing state economic plans and keeping the complex machinery of the centrally planned economy running. Consequently, they were the holders of political power, which was based not solely on ideological positions but also on knowledge and competence. The year 1989 and the subsequent rise of capitalism presented a significant challenge not only in relation to their expertise but also to their authority in the industrial environment. The article examines how managers coped with a systemic change that not only marked the advent of capitalism but also threatened a technocratic order based on a depoliticized public sphere and an authoritarian combination of party centralism and expert governance.

This article builds on a long tradition of research on technocracy in state socialism and post-socialism. This line of inquiry examines the political role of intellectuals and experts in the socialist dictatorship and the subsequent transformation period. The research on expertise and technocracy in state socialism has always been closely linked to the study of management in a centrally planned economy. In the context of the history of management studies in the Eastern Bloc and the study of management before 1989, historians and social scientists have typically sought to address the common question: What was the political role of economic and organizational efficiency in state socialism (Beissinger 1988; Sommer 2018)? Existing research suggests that technocratic socialism was the answer to a serious challenge facing centrally planned economies – reconciling socialist visions of equality, social justice and central planning with the everyday realities of the modern industrial economy (Hofman and Laird 1985; Sommer et al. 2019). Historians have also shown that the technocratic aspects of socialist governance influenced developments after 1989, creating a continuity between late socialism and post-socialist capitalism (Krátká 2023; Rameš 2021; Rameš and Kopeček 2019; Vilímek 2019).

From a theoretical perspective, the article is inspired by the "new class" theory, which sought to explain the power arrangements in state socialism and their influence on the later formation of the class structure of post-socialist societies (Szelényi and King 2004). The seminal work of Hungarian sociologists George Konrad and Ivan Szelényi, *The Intellectuals on the Road to Class Power* (written in 1973 and 1974), posited that a power coalition comprising party elites and the "new class" of educated professionals had gradually emerged in state socialist countries (Konrad and Szelényi 1979). These technocrats accumulated political power as the communist parties eliminated attempts at more radical reforms of state socialism after 1968. This pragmatic alliance bestowed certain political influence upon the technocrats, yet simultaneously demonstrated the limitations of their power. According to Konrad and Szelényi, the experts and technocrats were to gradually gain more power by allying with the critical intellectuals of dissent, thereby weakening or eliminating the power of the communist apparatus and establishing a "class rule of the intelligentsia" (Konrad and Szelényi: 234).

This analytical perspective has been further developed by the examination of class formation in post-socialism (Eyal, Szelényi, and Townsley 1998). This influential

interpretation posits that the distinctive feature of post-socialist capitalism was its emergence on the foundation of the pragmatic coalition described by Konrad and Szelényi in the early 1970s. The alliance of late socialist technocrats and dissidents constituted a novel ruling class that shaped the trajectory of the post-socialist transformation. In the Czechoslovak case, the outcome was not only the emergence of a novel form of class power but also the dissolution of Czechoslovakia, which posed an obstacle to the political aspirations of the newly constituted coalition of technocrats and dissidents (Eyal 2003). As managers were an essential element of the late socialist technocratic class, it can be presumed that they were among the primary beneficiaries of the post-socialist transformation. Consequently, following 1989, they accumulated not only cultural and economic capital but also, and perhaps most significantly, political capital.

Previous research analyzed the evolution of managerial and organizational culture in the Czech and Czechoslovak industry during the transformation period (Mlčoch 1992; Soulsby and Clark 1996; Soulsby and Clark 1996; Soulsby and Clark 1998; Soulsby 2001; Clark and Soulsby 2005; Vilímek 2012). This article links research on Czechoslovak industrial management in the 1980s and 1990s with an attempt to test the theoretical thesis described above about the triumph of experts (former socialist technocrats) after 1989. Rather than disproving the "new class" theory, the objective is to challenge its somewhat unambiguous interpretation through a case study examining a specific industrial enterprise and its top management during the transformation period. By utilizing evidence from specific regional and industrial context, the article seeks to introduce more ambivalence to the established and widely accepted interpretation that former socialist managers and technocrats, as well as experts in general, were ultimate winners in post-socialist capitalism.

As a case study I use the shoe company Svit Gottwaldov (after 1989 Svit Zlín). The first part of the article describes corporate culture in late socialism. It presents the educational, political, generational and gender profile of the managerial class. It also characterizes managerial expertise and shows what knowledge and skills the economic regime of central planning required of managers in this particular industrial enterprise. The second part examines the challenges posed to Czechoslovak managers by *perestroika*, which was a prelude to the far-reaching systemic changes after 1989. The impact of economic transformation on the managerial class is analyzed in the third part. The objective of this article is to apply the conclusions of previous research on the managerial class and technocracy in late socialism and post-socialism to the analysis of events within a specific industrial sector. The analytical perspective proposed here serves to complement existing knowledge with research on experience grounded in a specific regional and industrial expert milieu.<sup>2</sup>

<sup>&</sup>lt;sup>2</sup> The research presented in this article is based on the analysis of internal documents from the Svit archive. The second important source of information is the company magazine Tep, which provided detailed coverage of company events, published important data on production, products, or employment, andafter 1989 was also an important forum for discussions about Svit's future in the market economy. In addition to the aforementioned primary sources, the article draws upon the analysis of articles in the regional and national press that covered the company's activities.

#### **Managers in Late Socialist Enterprises**

Svit was the biggest footwear manufacturer in Czechoslovakia. It was the successor to Bat'a company, founded in 1894, whose global expansion in the 1930s made it a symbol of Czechoslovak interwar capitalism (Doleshal 2021; Ševeček 2009), After nationalization in 1945, Baťa's Canadian branch took over most of the company's activities outside Czechoslovakia and the Eastern Bloc. The plants in Czechoslovakia were transformed into a state-owned company. From 1948 it was called Svit. At the end of the 1980s, its headquarters in Gottwaldov (after 1989 Zlín) managed a network of plants and smaller production units spread throughout the country. The company employed around 37,000 people and produced more than 60 million pairs of shoes a year (63,584,000 pairs in 1989).<sup>3</sup> Svit was a company whose importance extended beyond Czechoslovakia. It was one of the largest shoe manufacturers in the Eastern Bloc. The company was the main supplier of footwear to the domestic market, but around 60% of production was exported. Its largest export market was the Soviet Union. The annual "USSR contract" covered a significant part of Svit's production - in 1988 it was 22.620.000 pairs of shoes.<sup>4</sup> Svit was one of the twenty largest Czechoslovak companies.<sup>5</sup> It is thus a sufficiently representative case for the analysis of late socialist managerial culture. Svit's management included all levels of the corporate hierarchy – from the management of individual workshops to the head office of the entire group. In this article I will focus on the top management, as it played a central role in both perestroika and the economic transformation after 1989. Who were the managers who ran this company? What was their educational background? What was the age and gender structure of the management?

On the basis of the personnel records, it is possible to draw up a short collective biography of the company's management.<sup>6</sup> At the end of the 1980s, Svit was run by representatives of two generations of managers, who differed to a certain extent in their professional careers, educational backgrounds and political involvement. Managers born in the inter-war period still played an important role in Svit. They were veterans of the centrally planned economy. Many of them had worked in lower technical or blue-collar positions at Bat'a before 1948. Their careers accelerated in the late 1940s and early 1950s as state socialism brought young communists into senior management positions. Some of them held high positions until 1989.

<sup>&</sup>lt;sup>3</sup> Moravský zemský archiv v Brně – Státní okresní archiv Zlín (Moravian Land Archives in Brno – State District Archive Zlín (MZA – SOkA Zlín), fond (f.) Obuvnický průmysl – Svit, Ředitelna, inventární číslo (i. č. – inventory number) 847, karton (k. – box) 201, Kolektivní návrh na založení státního podniku Obuvnický průmysl – Svit, Gottwaldov, March 1988; Ibid., i. č. 855, k. 203, Splnění plánu za rok 1988, January 1989; Ibid., i. č. 857, k. 205, Koncepce rozvoje obuvnické výroby do roku 1995 a výhled do roku 2000, June 1989; Ibid., i. č. 837, k. 199, Charakteristika VHJ Svit (1987) a s. p. Obuvnický průmysl Svit (1989).

<sup>&</sup>lt;sup>4</sup> Ibid., i. č. 846, k. 201, Informace o výsledku kontraktace a cenových jednání SSSR 1989, October 1988.

<sup>&</sup>lt;sup>5</sup> Třicet největších, *Tep* 41/1991 (22. 10. 1991), p. 5.

<sup>&</sup>lt;sup>6</sup> MZA – SOkA Zlín, f. Obuvnický průmysl – Svit, Osobní oddělení, i. č. 263, k. 863, Nomenklatura GŘ ČOP 1983; Ibid., i. č. 264, k. 863, Nomenklatura VHJ Svit a GŘ ČOP, 1983–1989. These documents are the source of the personnel data used in this article.

They often had political merits from the 1950s and influential contacts in the Communist Party (CPC) apparatus. Surviving the post-1968 purge was also a condition for their tenure in top management. Pragmatism and political conformity were important prerequisites for their long careers, as was the ability to navigate the informal relationships between planning institutions, ministries, bureaucrats, other enterprises and their managers, and apparatchiks at regional and central levels.

Their deficit was under-education. It was not uncommon for a plant manager not to have a university degree or to have acquired the necessary academic qualifications only formally during the course of his career. They compensated for their lack of professional skills with extensive experience in central planning structures and political positions in the *nomenklatura*. Rather than being derived from theoretical or technical knowledge, this particular expertise was developed through years of practical experience. One of the peculiarities of Svit was that for a long time the lower technical positions in the company were held by older experts who had started their careers at Bat'a before 1945. They were the bearers of continuity between two stages in the development of the Czechoslovak shoe industry. They had weak political capital because of their personal history before 1948, but they were indispensable to the company because of their expertise and therefore had considerable informal authority. Svit thus had a broad personnel base of shoe experts socialized in the socialist economy, but at the same time building on production and organizational practices already established before 1945.

The younger generation of managers was born in the 1940s and 1950s. Their careers began usually with university studies and then progressed through the corporate hierarchy. They gained important positions in Svit in the 1980s. Typically, they were experts in production technologies used in leather, rubber and plastics processing and footwear manufacturing, but did not have a background in management studies or the equivalent of today's MBA. Many of them were graduates of the Gottwaldov branch of the Technical University (based in Brno), which was the successor to the Bat'a vocational school. Their expertise was in production and manufacturing. In the 1980s, training in finance and economics became increasingly important, as these skills were useful for the *perestroika* reforms. This younger generation of experts took over the company in the early 1990s.

Membership of the CPC was a *de facto* requirement for the vast majority of managers. This was a prerequisite for significant career advancement, as it was rather rare to secure a position in senior management without being a card-carrying member of the CPC. What was the gender profile of the top management? Although 62% of Svit's employees were women, most of them worked as production workers, in social services or in lower administrative positions (Šmejkal 2023: 391–394). Data from November 1987 on *nomenklatura* positions in the Gottwaldov plants and Svit administrative units (more than 20,000 employees) were as follows: among 48 top management positions there was 1 woman (head of the CEO's office), in the individual plants (207 management positions) there were only 14 female managers.<sup>7</sup>

<sup>&</sup>lt;sup>7</sup> Ibid., Osobní oddělení, i. č. 269, k. 865, Návrh postupu zabezpečení výrazného zvýšení žen v KR nomenklatury ÚV KSČ a nomenklatury PV KSČ, 16. 11. 1987.

However, they did not have access to the structures that determined how the company operated. Another common feature of Svit's management was its close connection to the city and the region. Managers usually spent most of their careers at the company and often came from Gottwaldov and the surrounding area, or from other centers of the shoe industry. These local and regional ties were very strong. Multi-generational links with the company dating back to the inter-war period were no exception.

The examples of the three CEOs who led Svit in the 1980s and immediately after 1989 illustrate the different forms of managerial careers. Josef Kadlec was CEO of Svit until 1987. Born in 1927, he joined the CPC in 1946 and worked as a laborer until 1949. He then became a "political worker" in the Border Guard and held similar positions in the structures of the Ministry of the Interior and the CPC apparatus until the mid-1960s. Kadlec was a professional apparatchik when he became the personnel director of Svit in 1965. During his time at the company, he obtained a degree in economic planning. It was his political credentials that propelled him to the top management positions until he became CEO in 1982.

The company's troubling results in the mid-1980s led to Kadlec's dismissal in 1987. His successor was František Vodák (born 1943), who had a degree in mechanical engineering from the Technical University in Brno. Vodák joined CPC in 1964 and from 1966 worked at the shoe factory in Třebíč (ZGK Třebíč), which was part of Svit. He worked first in research and development and then, from 1983 to 1987, as director of ZGK. From 1987 he was CEO of Svit, until he resigned, in January 1990, under pressure from revolutionary activists in the company's Civic Forum.

The Civic Forum's candidate for CEO was Vladimír Lukavský (born 1952), who led the company until 1997. Lukavský graduated from the University of Economics in Prague and joined CPC in 1984. From 1980 he worked as head of the finance department at the Svit headquarters. His appointment as CEO reflected an important change that took place with the economic transformation. After 1989, financial and business expertise became more important. This was the reason why an expert in financial management of the Svit Group became CEO.

The comparison of the three directors shows a trend in the change of competences required of Svit's top managers – political credentials useful in the so-called consolidation period after 1968, experience in footwear production technologies (not only director Vodák, but most of the top management) in the 1980s, and the ability to manage the financial flows of the company in the period of economic transformation. Until 1989, qualified and educated shoemaking experts coexisted in Svit with managers whose main competence was a long career in the CPC, including the "correct" political behavior during the purges of the CPC after 1968.

Svit's managers were mainly experts in technology, materials and production. Their major deficiency was a lack of training and experience in sales and marketing. Until the early 1990s, Svit did not sell its products. The shoe trade was in the hands of two separate state-owned companies. The domestic market was served by Obchod obuví (*Shoe Trade*), which supplied shops in Czechoslovakia. Exico, a "foreign trade company", was responsible for exports, receiving shoes from Svit, arranging contracts with trading partners and delivering products to foreign markets. When this system collapsed after 1989, Svit's managers faced

the difficult task of quickly learning new skills crucial to the company's survival. In a market economy, producers and suppliers also had to become traders. This was probably the biggest challenge for the former socialist managers. But it was not all that unexpected. *Perestroika* had already signaled that a new era was dawning for industrial management, but it was not an easy one.

## Perestroika as the First Step to Capitalism

As Fritz Bartel shows in *The Triumph of Broken Promises, perestroika* was an attempt to impose economic discipline (Bartel 2022). He argues that it was the socialist equivalent of neoliberal reforms in the West and structural adjustment policies in the Global South. In Czechoslovakia, *perestroika* (*přestavba*) began in 1987. It brought industrial enterprises greater independence from the planning center, and with it the need for greater economic efficiency on the part of managers and workers. The company was to be fully responsible for itself. Its aim was to make a profit, and its future and the wages of its workers would depend on its profitability.

Svit was one of the companies covered by the new "State Enterprise Act" adopted in 1988.8 The "state enterprise" was independent, but still subject to the five-year plan. The law introduced the so-called self-financing. The company covered its needs and costs from its business activities. It paid taxes and levies to the state, but could use the remaining profits for its own needs. The "founder" of the company played a key role. In the case of Svit, it was the Ministry of Industry that continued to have great powers over the companies it could split them up, merge them, reduce their activities or introduce a "consolidation program". The law also introduced workers' self-management. Employees could elect selfmanagement bodies, which in turn elected the company's directors. However, the Ministry proposed candidates for director and also had veto power over self-managements' decisions. While preserving the important role of central institutions, the law gave greater freedom to enterprises by allowing them to take full responsibility for their operations. This went as far as allowing enterprises to be closed down if they failed to perform. Workers' selfmanagement was supposed to fulfill the democratizing dimension of *perestroika*. Its aim was to give democratic legitimacy to a more market-oriented and flexible approach to enterprise management.

Svit became a "state enterprise" in January 1989, but it had already begun to introduce reform measures in the previous year.<sup>9</sup> The easiest task to accomplish was the establishment of workers' self-management. The entire process, including the election of self-management bodies and the appointment of the director in the spring of 1989, was entirely under the control of top management. There were no unexpected events or conflicts and the incumbent CEO, Vodák, was confirmed in office. Rather than resulting in the democratization of power

<sup>&</sup>lt;sup>8</sup> The Act No. 88/1988 of 14 June 1988. The full version of the Act: https://www.zakonyprolidi.cz/ cs/1988-88.

<sup>&</sup>lt;sup>9</sup> MZA – SOkA Zlín, f. Obuvnický průmysl – Svit, Ředitelna, i. č. 847, k. 201, Kolektivní návrh na založení státního podniku Obuvnický průmysl – Svit, Gottwaldov, March 1988.

hierarchies within the company, the implementation of self-management constituted a managerial strategy designed to retain control of the democratization process. Consequently, *perestroika* did not present a threat to the position of managers through pressure from below.<sup>10</sup>

Running the company independently was a more difficult task. Svit still had to carry out the plan – ensure the supply of shoes for the domestic market and fulfill export contracts. But the managers had to work with the profit category more than before. Svit's head of finance, Vladimír Lukavský, was the face of the campaign to promote the new management methods. He lectured employees that Svit had to be a profitable company first and foremost. It was necessary to make a real profit, which would determine not only Svit's success, but also how much its employees got paid.<sup>11</sup> Quality became a similarly important category. A high percentage of consumer complaints were warning signs. Svit had to put more emphasis on production technology, attractive design and branding. The company's future depended on making profits by producing high quality footwear.<sup>12</sup>

Managers thus focused primarily on increasing the efficiency of production. In the case of the shoe trade, however, they rejected the possibility of creating a trading infrastructure to replace the long-standing system of sales through state trading companies. Such fundamental restructuring of the relationship between production and sales was too big a task for them. It required building new facilities for marketing, advertising, business negotiations at home and abroad, or logistics. Svit was simply not in a position to make the large investments necessary to start its own trading business.<sup>13</sup> *Perestroika*'s visions clashed with the financial and human capacities not only of individual companies but of the entire Czechoslovak economy. Managers had more freedom than before, but lacked the autonomy and financial resources to implement large-scale strategic change. It was more profitable for the company to continue the established way of doing business than to embark on a risky project of building its own distribution infrastructure. The political framework of the late socialist economy also played an important role. The closed, centrally controlled and protected domestic market and the huge exports to the allied socialist countries ensured a secure market for a substantial part of Svit's production. *Perestroika* did not change this arrangement.

This meant that all innovations focused on manufacturing. The aim was to ensure quality and profitability through higher labor productivity, cost-effective materials management, smoother production and worker responsibility for the quality of the end product.<sup>14</sup> *Perestroika*'s ambition was to change managers' attitudes and workers' mentality through new

<sup>&</sup>lt;sup>10</sup> Ibid., Osobní oddělení, i. č. 268, k. 865, Zpráva o výsledku a průběhu voleb ve státním podniku Obuvnický průmysl – Svit Gottwaldov, 11. 9. 1989.

<sup>&</sup>lt;sup>11</sup> Vladimír Lukavský, Komunisté do čela boje za efektivnost, *Tep* 30/1988 (15. 4. 1988), p. 1; –šum-, Koncentrovat síly strany na rozhodující úkoly, *Tep* 25/1988 (29. 3. 1988), p. 1. See also Jindřich Hlaváč, Zisk, *Tep* 12/1988 (12. 2. 1988), p. 1.

<sup>&</sup>lt;sup>12</sup> František Zapletal, Kvalita, *Tep* 14/1988 (19. 2. 1988), p. 1; Miroslav Fafilek, Kvalita je kvalitnější, *Tep* 41/1987 (26. 5. 1987), p. 1.

<sup>&</sup>lt;sup>13</sup> Miroslav Fafilek, O přestavbě ekonomického mechanismu, *Tep* 59/1987 (11. 8. 1987), p. 3.

<sup>&</sup>lt;sup>14</sup> Miroslav Fafilek, Cílem je kvalita a efektivnost. Hovoříme s ředitelem státního podniku ing. Františkem Vodákem, *Tep* 4/1989 (13. 1. 1989), p. 3; Vladimír Lukavský, Snižujeme nežádoucí náklady, *Tep* 88/1988 (18. 11. 1988), p. 1.

organizational measures and material incentives. Management buzzwords were flexibility, precision, high performance, individual commitment and motivation to do a good job. This also meant unpopular disciplining of employees through greater differentiation in pay and higher demands on individual performance.

The first step in this direction was the "experimental testing" (*experimentální ověřování*). The plan was to test new management measures in selected workshops or plants and later apply them throughout the company. In Svit, the experiment that took place in the Gottwaldov shoe plant was particularly important. This was a key production site for the entire group. The result showed how difficult and controversial such management efforts were. According to Miloslav Schwarz, director of the shoe plant, the project ran into "a completely impenetrable barrier of conservatism, reluctance and disregard for the CEO's instructions among some of the plant's managers".<sup>15</sup> In this instance, *perestroika* posed a threat to long-established power structures not through profound democratization of the workplace, but through its challenge to managerial expertise. The introduction of a new managerial approach required the development of new knowledge and the acquisition of new skills.<sup>16</sup>

The decentralization of the company was a key reform in which Svit's managers had high hopes. Svit was a huge company and centralized management of such a colossus was extremely difficult. The efforts to loosen the corporate hierarchy and introduce certain organizational flexibility, including downsizing the company, only really took off after the Velvet Revolution. In the years of *perestroika*, however, decentralization was a bold vision and many were convinced of its necessity, but the broader political framework for its implementation was not vet in place. This case study shows that the hints of reform in the late 1980s were a continuation of the late socialist technocratic arrangement. While greater autonomy of enterprises meant that management had more responsibility and power, self-management did not lead to weakening of management positions in favor of ordinary workers. In Svit, at least, self-management was an institution that gave democratic legitimacy to efforts to strengthen the power of managers. Its aim was to maintain the social cohesion of the company during the reforms. *Perestroika* was not supposed to change the technocratic organization of industrial work that was common to both state socialism and capitalism. Industry was to remain a hierarchical and depoliticized world in which professional managers made decisions and controlled subordinate workers. The change was the weakening of the planning center and the introduction of the market into the socialist economy. Although *perestroika* enhanced the authority of managers, sometimes even at the expense of the Communist Party apparatchiks, it also revealed the inadequacies in their expert knowledge.<sup>17</sup> With the collapse of state socialism, this crisis of expertise took on much more serious proportions.

<sup>&</sup>lt;sup>15</sup> Miloslav Schwarz, Ověřování nového modelu řízení v obuvnickém závodě, *Tep* 4/1989 (13. 1. 1989), p. 1.

<sup>&</sup>lt;sup>16</sup> Svatava Navrátilová, Experiment, *Tep* 3/1990 (9. 1. 1990), p. 3; Pracovníci odboru odbytu, Experiment, *Tep* 6/1990 (19. 1. 1990), p. 2; Experiment II, *Tep* 7/1990 (23. 1. 1990), p. 3; Vladimír Lukavský, Experiment znamená pokus, *Tep* 9/1990 (30. 1. 1990), p. 3.

<sup>&</sup>lt;sup>17</sup> For an analysis of the interaction between industrial management and the CPC, see Štefek (2024).

## Economic Transformation as a Struggle against Uncertainty

The Velvet Revolution had a profound impact on the industrial enterprises. Although, three decades on, the events of the late 1980s and early 1990s look like a sharp turning point, a sudden collapse of socialism followed by the rapid establishment of a new order, it was a more gradual process. This case study makes it possible to capture the interaction between the new and the old, between the revolutionary discontinuity and those elements of post-revolutionary development that built on the pre-1989 experience. Svit's managers had to cope with the impact of three major historical processes: the establishment of liberal democracy, the emergence of capitalism, and the acceleration of economic globalization. Each of these processes had its own pace, creating a particularly complex situation for managers.

The arrival of democracy was sudden and, immediately, it politicized the company. The intrusion of politics into relations between rank-and-file workers and managers in 1989 and 1990 posed a serious threat to the technocratic distribution of power in Czechoslovak industry. The impact of the Velvet Revolution on Svit's top management was ambivalent. On the one hand, the revolution appeared to be a triumph of technocratic continuity. Svit's Civic Forum primarily represented the interests of the white-collar workers who had founded this revolutionary organization in the company.<sup>18</sup> This meant that the Velvet Revolution in Svit was first and foremost a revolution of managers. At the beginning of 1990, the Civic Forum forced CEO Vodák to resign and recommended Vladimír Lukavský as his successor.<sup>19</sup> A champion of the *perestroika* reforms and a key member of top management in the second half of the 1980s, Lukavský guaranteed significant managerial continuity.

Managers who had held important positions before the revolution, many of them former members of the CPC, formed the new top management. In the course of 1990, the previous revolutionary unity broke down. This was followed by a sharp political conflict within the company. The newly formed independent trade unions and some representatives of middle management began to criticize openly the continuing power of the former communists. The politicization of Svit was thus primarily a dispute over the decommunization of the company. This was a novelty for top management, as it challenged the technocratic arrangement of the power relations in Svit. It was an overtly political critique, based on value positions rather than economic arguments or quantitative data. Opponents of the postrevolutionary top management spoke of a half-hearted revolution that left the so-called "old structures" - former members of the CPC who had run the company before 1989 - in key positions. The trade unionists and their allies demanded a more consistent decommunization of Svit. The aim was not only to democratize the company, but also to increase career opportunities for employees who had not been communists before 1989 and therefore could not aspire to senior management positions. Critics of top management also linked anticommunism to criticism of the management's expertise. If Svit's economic problems were

<sup>&</sup>lt;sup>18</sup> Požadavky a náměty Občanského fóra s. p. Svit, *Tep* 1–2/1990 (5. 1. 1990), p. 1.

<sup>&</sup>lt;sup>19</sup> František Vodák, Vážení spolupracovníci..., *Tep* 6/1990 (19. 1. 1990), p. 1; OF Svit k návrhu kandidáta na ředitele s.p., *Tep* 7/1990 (23. 1. 1990), p. 1; Kandidát OF Svit na ředitele státního podniku, *Tep* 8/1990 (26. 1. 1990), p. 1; Ing. Vladimír Lukavský ředitelem st. podniku, *Tep* 58/1990 (3. 8. 1990), p. 1.

the result of communist rule, shouldn't former communist and thus incompetent managers have left their positions?<sup>20</sup>

The dispute culminated in the summer and autumn of 1990.<sup>21</sup> Top management countered anti-communism with arguments based entirely on technocratic logic. The CEO and his allies rejected this anticommunist politicization. They posited that the realms of politics and expertise are distinct and separate. According to them, the main criterion for selecting managers was their expertise, not their political past. They argued that removing all former communists would destabilize the company. If Svit was to survive the transition to a market economy, it was necessary to make maximum use of the technical and managerial expertise available – regardless of the fact that the expert might be a former communist. Politics had no place in the company.<sup>22</sup>

The emphasis on technocratic separation of management expertise from politics was clear continuity with state socialism. This argument helped to placate disgruntled employees and maintain strong continuity of top management with the pre-revolutionary era. It reflected wider developments in Czechoslovak industry in the early 1990s, when more radical demands for decommunization of the corporate sphere failed. Moreover, in April 1990, the new "State Enterprise Act" abolished workers' self-management and weakened significantly the position of those calling for the establishment of industrial democracy in Czechoslovakia, for example in the form of greater worker participation in decision-making. It was a triumph of technocratic continuity and expertise over revolutionary radicalism (Rameš 2021, p. 86–94). From this perspective, it could be argued that for corporate and regional technocrats, the Velvet Revolution was ultimately a means of consolidating their class power.

In contrast to these hectic political events, the building of capitalism was a longterm process whose impact on industrial enterprises and their management was gradual. Furthermore, the consequences of this development proved to be considerably more ambiguous than the outcome of the conflict between senior management and anticommunist activists in 1990. It took several years for large enterprises to be privatized. For the first three years after the Velvet Revolution, Svit was still state-owned and its management interacted closely with the higher political institutions (government, Ministry of Industry). Similarly, the creation of a market environment in the country continued throughout the 1990s. The aforementioned developments presented managers with unforeseen challenges. Many of them threatened the very existence of the company as well as the authority of top managers.

Svit's managers were convinced that the prerequisite for the company's success in the market economy was its privatization. The Canadian company Bat'a seemed to be the ideal foreign partner for Svit. When Tomáš Bat'a Jr., the son of the company's founder,

<sup>&</sup>lt;sup>20</sup> Jiří Košťál, Prosperující podnik, nebo zaopatřovací ústav?, *Tep* 9/1990 (30. 1. 1990), p. 1.

<sup>Odbory versus vedení podniku,</sup> *Tep* 66/1990 (21. 8. 1990), p. 1; Utrpí podnik šok?, *Tep* 73/1990 (23. 9. 1990), p. 1; Petr Ševela, Otevřený dopis řediteli s. p. Svit ing. Lukavskému, *Tep* 81/1990 (23. 10. 1990), p. 1; Zdeněk Friedrich, Otevřený dopis podnikovému řediteli, *Tep* 86/1990 (9. 11. 1990), p. 2.

<sup>&</sup>lt;sup>22</sup> Vladimír Lukavský, Odpověď na otevřený dopis, *Tep* 83/1990 (30. 10. 1990), p. 1; Svatava Navrátilová, Hovory s náměstkem, *Tep* 87/1990 (13. 11. 1990), pp. 1–2.

visited Gottwaldov and the Svit factories on 12 December 1989, many predicted that the Canadians would take over Svit. Negotiations with Ba'a began, which soon turned from revolutionary euphoria into a protracted dispute between Ba'a and the state. Since returning the company to the Ba'a family would violate Czechoslovak law, negotiations began in 1990 to allow Ba'a to privatize Svit as a foreign investor. The representatives of Bat'a carried out a detailed analysis of Svit, including the possibilities of its restructuring in the new economic conditions. Negotiations between Bat'a and the state lasted until the autumn of 1991. While the takeover of the Czechoslovak footwear giant was too much for Bat'a, the state refused to finance the restructuring of Svit and the subsequent transfer of its promising parts to the Canadian company.<sup>23</sup> Negotiations ended in a compromise: Bat'a took over one of Svit's production plants in the East Moravian town of Dolní Němčí and acquired a network of shoe shops from the state.

Svit's managers were excluded from these negotiations. They were supposed to prepare Svit to function in a market economy, but at the same time they could only urge the state to decide on the company's fate as soon as possible. This demonstrated the limited options available to managers. The economic transformation gave Svit's managers a free hand in many ways, but the fundamental decisions about the company's future were still in the hands of the state, which wrote the rules of the new capitalism, including the privatization of Czechoslovak industry. When it became clear that Bat'a would not acquire Svit, the company was privatized under the voucher-privatization program. In May 1993, the Ministry of Privatization approved a privatization project prepared by Svit's management. According to the project, 61% of the shares of the group went into the second wave of voucher privatization and 34% of the shares were offered for public tender. The 34% stake was acquired by a consortium of Investiční banka (Investment Bank, later Investiční a poštovní banka – IPB), První akciová investiční společnost (First Joint Stock Investment Company – PIAS, a subsidiary of IPB) and TOMA tanneries (formerly part of the Svit group) for CZK 570 million.<sup>24</sup> The negotiations with Bat'a demonstrated the limitations of managerial autonomy vis-à-vis the state. The subsequent events following the privatization of the company demonstrated the limitations of their expertise.

After three years of wrangling, the company was under the control of local management and Czech owners. There was no significant intervention in the composition of top management and no radical restructuring of the kind that a foreign investor might have undertaken. The managers in Zlín had a free hand in the implementation of a plan that had

<sup>&</sup>lt;sup>23</sup> V. Kupcová, Causa Baťa: Stále ještě není jasno, *Zlínské noviny* 28/1991 (12. 4. 1991), p. 3; MZA – SOkA Zlín, f. Obuvnický průmysl – Svit, f. Obuvnický průmysl – Svit, Ředitelna, i. č. 875, k. 213, Spolupráce kanadské firmy Bata Shoe Organization s čs. obuvnickým průmyslem, 6. 8. 1990.

<sup>&</sup>lt;sup>24</sup> Pavel Pastuszek, Jak pokračuje privatizace a. s. Svit, *Tep* 44/1992 (17. 11. 1992), p. 1; Pavel Pastuszek, Privatizační projekt a. s. Svit schválen, *Tep* 26/1993 (30. 6. 1993), p. 1; K privatizaci a. s. Svit, *Tep* 27/1993 (8. 7. 1993), p. 1; Ilona Šumíčková, Svit před privatizací. Hovoříme s ředitelem sekce komplexní strategie, *Tep* 33/1993 (1. 9. 1993), pp. 1–2; Třetina svitu privatizována, *Tep* 44/1993 (17. 11. 1993), p. 1; S ing. V. Lukavským hovoříme na téma: Privatizace Svitu, *Tep* 47/1993 (8. 12. 1993), p. 1.

already been on the drawing board during *perestroika* – the decentralization of the company. Already in 1990, some parts of Svit became independent, such as the shoe factories in Třebíč, Skuteč or Světlá nad Sázavou. The privatization allowed the company to establish a holding structure with independent subsidiaries (mostly former production plants) under the parent company. In 1995, the Svit group consisted of the parent company, eight wholly owned subsidiaries and six other companies in which the holding company had a majority shareholding.<sup>25</sup>

The holding company organization, which was very popular in the Czech Republic in the 1990s, was intended to allow flexible management of large industrial groups (Clark and Soulsby 1999). However, it did not solve the fundamental problem inherited from central planning. The management responsible for transforming the company was still largely made up of shoemaking professionals, not sales and marketing experts. Svit's top management was well aware of this. They wanted to strengthen marketing activities and build a business infrastructure for the domestic and foreign markets. This was a difficult task in a situation of rapid liberalization of the Czechoslovak consumer goods market. In the dynamic environment of post-socialist capitalism and in such a short period of time, it was almost impossible to acquire and apply know-how that the company had not sufficiently cultivated for several decades.

It became increasingly difficult for Svit to operate in the deregulated market. Managers accustomed to the strong position of the state in controlling the economy suddenly found themselves dealing with a state that refused to regulate their industry, for example by imposing import tariffs.<sup>26</sup> The chaos of nascent capitalism replaced the long-standing state-controlled production and sale of consumer goods, with which Svit's managers were well acquainted. The problem, for example, was the illegal import of shoes from Asia and their sale outside the traditional trade network.<sup>27</sup> Svit's managers also struggled with the problem of chronic insolvency. Customers owed Svit, and Svit owed its suppliers. The desired independence and entrepreneurial freedom proved to be a difficult task under such conditions.

Svit also found it challenging to adapt to the accelerating pace of economic globalization. It was evident that no Czech actor, entrepreneur, or state had any control over these forces. In contrast to the gradual formation of the rules and institutions of post-socialist capitalism, the effects of economic globalization were uneven and often unpredictable. Some events were immediate, such as the opening of the Czechoslovak market to imported goods. By contrast, the collapse of the Cold War regime of economic relations, in this case primarily between Czechoslovakia and the USSR, did not occur until 1991. Two years after 1989, Svit's managers had to deal with the sudden end of the long-term export model that had largely determined the volume and structure of the company's production. On the other hand, the impact of the global transformation of the footwear industry on Czechoslovak and later

<sup>&</sup>lt;sup>25</sup> Ilona Šumíčková, Svit Zlín s pěti novými dcerami. Ruský dluh byl přerozdělen na nové subjekty, ZRNO 4/1995 (17. 10. 1995), p. 2.

<sup>&</sup>lt;sup>26</sup> Pomůže vláda řešit problémy výrobců obuvi?, *Kožařství* 2/1993, p. 61.

<sup>&</sup>lt;sup>27</sup> Vlastimil Kolařík, Oficiálně ilegální cesty, *Kožařství* 10/1998, p. 2; Vlastimil Kolařík, Dva různé metry, *Kožařství* 11/1998, pp. 5–6.

Czech shoemakers only became fully apparent in the mid-1990s. This development demanded a wholly distinct set of expert skills from those employed in the central planning system. Although top management had complete control of the company following privatization, its expertise was not sufficient to address the challenges it faced.

In 1990, Svit's managers did not associate the end of state socialism with the end of the company's export model.<sup>28</sup> They expected the company to maintain its markets in Eastern Europe and increase exports to Western Europe and North America significantly. This was the only way to maintain Svit's large production volume, extensive production infrastructure and workforce. Although internally concerned about the stability of the Soviet market, they attempted to negotiate another contract in 1990 to supply footwear to the USSR in 1991.<sup>29</sup> The state was again a key player, with the signing of a trade agreement with the USSR in September 1990. Svit was among the Czechoslovak companies that were to supply goods to the USSR. In return, the Soviets were to provide Czechoslovakia with raw materials such as oil. The dollar payments were to be transferred to clearing accounts in Czechoslovakia and Moscow. After the balance of payments between the banks had been settled, the money paid for the shoes in the USSR was to be transferred from the Czechoslovak bank to Svit (Grác 2023: 48–51).<sup>30</sup>

This business came to an abrupt end in 1991 with the dissolution of the USSR. While Svit was producing and shipping shoes to the USSR, the payment system stopped working. Svit's managers watched as the production and supply strategy that had sustained the company's existence collapsed before their eyes. The company was not paid for \$40 million worth of goods. At the time it was more than CZK 1 billion. In November 1991, Svit was forced to stop deliveries and production for the USSR.<sup>31</sup> The case was widely publicized and led to a political dispute. The company asked for bridging loans from the state, while some politicians criticized Svit's management for supplying goods to the USSR when it was clear that payments from the USSR would not reach Svit.<sup>32</sup> Svit's managers defended themselves by arguing that it was the state that had negotiated and guaranteed the contract. They assumed that even in a market economy the state guarantee would provide certain security.

<sup>&</sup>lt;sup>28</sup> MZA – SOkA Zlín, f. Obuvnický průmysl – Svit, i. č. 883, k. 216, Program odstátnění a následné privatizace ve Svitu Zlín, 17. 9. 1990; Ibid., i. č. 867, k. 211, Návrh na založení státního podniku, 8. 6. 1990 and Návrh na založení akciové společnosti Obuvnický průmysl – Svit, Zlín, 21. 11. 1990; Máme obrovskou šanci pozvednout podnik na světovou úroveň, *Tep* 18/1990 (2. 3. 1990), p. 1 and 2, *Tep* 19/1990 (6. 3. 1990), p. 1 and *Tep* 20/1990 (9. 3. 1990), p. 1.

<sup>&</sup>lt;sup>29</sup> MZA – SOkA Zlín, f. Obuvnický průmysl – Svit, Ředitelna, i. č. 868, k. 211, Informace o kontraktu SSSR 1991, příprava ZOČ, October 1990; Ibid., Rizika roku 1991, December 1990.

<sup>&</sup>lt;sup>30</sup> Author's interview with Pavel Pastuszek, the head of the Svit strategic development department in the early 1990s, conducted on October 13, 2023.

 <sup>&</sup>lt;sup>31</sup> Vladimír Lukavský, Vývoz obuvi a.s. Svit Zlín do SSSR, *Tep* 46/1991 (26. 11. 1991), p. 1–2;
V. Příkazský, Tisková konference o situaci ve Svitu, *Tep* 46/1991 (26. 11. 1991), p. 1; Vladimír Lukavský, Jiná cesta není, *Tep* 46/1991 (26. 11. 1991), p. 1.

<sup>&</sup>lt;sup>32</sup> (ara), Ministr ve stínu, Český deník 49/1992 (27. 2. 1992), p. 5; Vladimír Lukavský, Stanovisko Svitu, *Tep* 8/1992 (25. 2. 1992), pp. 1–2.

The case had a fatal effect on the company's financial position, and Svit never recovered from the Soviet debt. It was also a serious blow to the company's reputation. In 1990, Svit's managers presented the company as a world-leading manufacturer continuing the glorious tradition of Czechoslovak shoemaking. Two years later, they were in charge of a company on the brink of bankruptcy, with the image of a socialist juggernaut that produced too many goods and employed too many people.<sup>33</sup> Although the Czechoslovak government was responsible for designing, negotiating, and guaranteeing the business model that collapsed spectacularly in 1991, the public perceived the primary responsibility to lie with the top management of Svit. This affair damaged irreparably the reputation of the company's top management. If expertise constituted a pillar of the managers' power position, then in the case of Svit this foundation was cracked severely already at the beginning of the 1990s.

The impact of the globalization of the footwear industry on Svit was more gradual. Svit's position in relation to the international situation in the footwear sector became increasingly untenable.<sup>34</sup> In the 1990s, the long-term global trend of relocating footwear production to regions with cheaper labor affected former socialist countries. Svit's managers found themselves in an impossible situation. Their company was producing goods that were unattractive both to domestic and foreign markets. At the same time, Svit could not offer Western manufacturers subcontracting conditions that could compete with those offered by Balkan, let alone Asian, countries.

The top management, which changed frequently since the mid-1990s, downsized the company and reduced production volumes. By the end of the 1990s, Svit was a shadow of its former self, employing around 5,000 people and struggling not only with the transformation recession (which hit the country in the late 1990s) but also with creditors' claims and ownership disputes within the holding company.<sup>35</sup> Managers also tried to promote Svit as a Czech company producing quality Czech shoes. They presented Svit as a domestic and qualitatively superior alternative to cheap and low-quality imported shoes, especially from China. This strategy did not work. Around 2000, Svit went bankrupt. The collapse of the former shoe giant marked the end of mass production of footwear in the Czech Republic and was the most visible symbol of the deindustrialization of the Czech shoemaking.<sup>36</sup>

<sup>&</sup>lt;sup>33</sup> Naléhavá interpelace na vládu České republiky od poslance ČNR V. Čundrleho, *Tep* 46/1991 (26. 11. 1991), p. 3; Odpověď na interpelaci, *Tep* 4/1992 (28. 1. 1992). p. 1; Svit se blíží kolapsu. Interpelace poslance Federálního shromáždění České a slovenské federativní republiky Pavla Dostála adresovaná Mariánu Čalfovi, předsedovi vlády ČSFR, *Tep* 5/1992 (4. 2. 1992), p. 2; Ministr fandí Svitu, *Tep* 7/1992 (18. 2. 1992), p. 1; Stanovisko Svitu, *Tep* 8/1992 (25. 2. 1992), pp. 1–2.

<sup>&</sup>lt;sup>34</sup> Vlasta Mayerová, Hodnocení vývoje v obuvnickém průmyslu ČR 1989–1996, *Tep* 5/1997 (14. 5. 1997), p. 3 and (šum), Těžké časy obuvníků, *Tep* 12/1996 (18. 12. 1996), p. 1.

<sup>&</sup>lt;sup>35</sup> Krajský obchodní soud prohlásil konkurs na Svit, *Zlínské noviny* 215/2000 (14. 9. 2000), p. 1.

<sup>&</sup>lt;sup>36</sup> Svit mizí z obuvnické mapy světa, *Zlínské noviny* 13/2002 (16. 11. 2002), p. 8.

# Conclusion

This article shows that the activities of managers in the era of economic transformation, their long-term plans and their momentary decisions were the result of a complex and ambivalent interaction of continuities and discontinuities in managerial practice and thinking. The strategies of corporate management were based on the technocratic regime of power relations that had become firmly established in Czechoslovakia after 1968. The combination of managerialism at the enterprise level and the strong authority of the state and the CPC determined the politics of expertise in late socialist industry. The prevailing management culture and the configuration of power relations exerted a profound impact on the conduct of industrial management both before and after 1989. While the Velvet Revolution brought liberal democracy and capitalism to the country, at the corporate level it allowed the existing technocratic order to persist. There was no strengthening of workers' self-management or long-term empowerment of the newly established independent unions. The new order enhanced the authority of managers by removing them from the supervision of the planning center and the communist apparatchiks. At the same time, it did not allow for significant strengthening of workers' power at the expense of management's authority. Furthermore, a portion of the managerial cadre has acquired an ownership stake in the former state-owned assets.

The ambivalence of the impact of economic transformation on managers consisted in the fact that the continuities in the industrial power structure were accompanied by a crisis of managerial expertise. The capacity to organize production in industrial enterprises constituted a significant foundation for managerial authority. However, this expertise was tested severely in the late 1980s and early 1990s. Although the hierarchical structure of power within enterprises remained largely unchallenged from below, the specific expert knowledge that underpinned the authority of managers in the central planning system was only partially applicable after 1989. In terms of the authority of expert knowledge, *perestroika* and subsequent transition to capitalism had a profound impact on the Czechoslovak managerial class. In particular, this was the case in those industries and enterprises for which the economic changes represented a struggle for survival. Although the Velvet Revolution reinforced the role of managers as the sole decision-makers in companies, the advent of capitalism undermined their expert authority. The market economy required a different kind of expertise on which the technocratic power of managers could rely in the long run. Consequently, managers in industrial enterprises were simultaneously strong and weak.

If one is to posit the existence of an elite pact of dissidents and technocrats as the new power arrangement in post-socialism, this scheme may be valid at the level of central political institutions. However, at the regional level and in individual enterprises, the situation was more complex. In this case, lower-ranking technocrats, specifically industrial managers, did not seek support from former dissidents, but mainly from state institutions. When the revolutionary events were over, it became clear that industrial management did not need the strong anti-communist legitimacy that the central-level technocrats required (and got from the former dissidents). Nevertheless, corporate management required the practical support of the state to counterbalance the crisis of managerial expertise and provide a shelter from the upheavals brought about by the transformation from socialism to capitalism and by economic globalization. If the new democratic political elites supported managerial power at the expense of employees in 1990, industrial management expected similar support in areas where managerial expertise was crucial. The fact that managers did not have to share decisionmaking powers with workers' self-management or be accountable to powerful trade unions did not change the fact that navigating the troubled waters of the new capitalism required competences, knowledge and financial capital. Managers clearly expected significant support from the state, as they were accustomed to in the era of central planning, or as was common in capitalist countries that relied on active industrial policy.

Managers retained decision-making powers after 1989, but faced political and economic forces beyond their control. In the 1990s, the limits of this technocratic order became apparent. Rather than the pressure of democratic politics or anti-communism on former socialist managers, the source of these problems was the crisis of managerial expertise. Although managers were among the symbols of the emerging market economy and managerial language permeated political and popular discourse, developments after 1989 demonstrated the limited power of the domestic managerial class in a small post-socialist country. Long-term trends associated with economic globalization, as well as sudden changes in the international order, national economic strategies and economic culture, created many serious problems for industrial management. The example of Svit provides ample evidence of these postsocialist contradictions and their impact on industrial management. Although the managers at Svit gained the autonomy they had long demanded, they found that they needed a strong interventionist state for the survival of the company and the industry as a whole. They wanted to maintain the inherited technocratic order within the company (managerial authority without industrial democracy), to be market actors independent of the state, but at the same time to have state protection from economic and political forces of capitalist globalization. For them, the ideal economic order would have combined strong and highly technocratic managerialism, a protected domestic market and a company-friendly state industrial policy. However, economic and political developments moved in a different direction. It is a question for further research whether such a potential arrangement of post-socialist capitalism could have been attractive to the managerial class in general, or whether it was specific to industries that were extremely exposed to the pressures of globalization and declined in the 1990s.

The position of managers from regional industrial enterprises in the power hierarchy of post-socialism was therefore quite precarious, particularly if their enterprises did not belong to the sectors preferred by the state or foreign investors. If these managers did not choose a quick exit strategy in the early 1990s, namely leaving for other companies or setting up their own businesses in other industrial sectors, they faced an uphill struggle to save their company in adverse economic conditions. This made it challenging for these managers to gain significant political influence at the regional and national levels, or even to become prominent figures in national oligarchic structures.

## **Archival Collections**

Fond Obuvnický průmysl – Svit, Moravský zemský archiv v Brně – Státní okresní archiv Zlín (Moravian Land Archives in Brno – State District Archive Zlín). Zlín.

#### References

- Bartel, Fritz. 2022. *The Triumph of Broken Promises: The End of the Cold War and the Rise of Neoliberalism*. Harvard, Mass.: Harvard University Press.
- Beissinger, Mark R. 1988. Scientific Management, Socialist Discipline, and Soviet Power. Cambridge, Mass.: Harvard University Press.
- Clark, Ed and Anna Soulsby. 1999. "The Adoption of the Multi-divisional Form in Large Czech Enterprises: The Role of Economic, Institutional and Strategic Factors." *Journal of Management Studies* 36(4): 535–559.
- Clark, Ed and Anna Soulsby. 2005. Organizational Change in Post-Communist Europe: Management and Transformation in the Czech Republic. London: Routledge.
- Doleshal, Zachary. 2021. In the Kingdom of Shoes: Bata, Zlín, Globalization, 1894–1945. Toronto: University of Toronto Press.
- Eyal, Gil. 2003. The Origins of Post-Communist Elites: From the Prague Spring to the Break-up of Czechoslovakia. Minneapolis: University of Minnesota Press.
- Eyal, Gil, Ivan Szelényi, and Eleanor Townsley. 1998. Making Capitalism without Capitalists: Class Formation and Elite Struggles in Post-Communist Central Europe. London: Verso.
- Grác, David. 2023. Začátek konce výroby bot ve Zlíně: Transformace výrobce obuvi SVIT Gottwaldov v období 1989–1991 [The Geginning of the End of Shoe Production in Zlín. The Transformation of the Shoe Manufacturer SVIT Gottwaldov in the Period 1989–1991]. Manuscript of master thesis. Prague: Charles University – Faculty of Humanities.
- Hoffman, Erik P. and Robbin F. Laird. 1985. *Technocratic Socialism: The Soviet Union in the Advanced Industrial Era*. Durham: Duke University Press.
- Konrad, George and Ivan Szelényi. 1979. *The Intellectuals on the Road to Class Power*. New York: Harcourt Brace Jovanovich and The Harvester Press.
- Krátká, Lenka. 2023. Všechno bylo nové. Česká ekonomika po roce 1989 několik pohledů na transformační proces očima dobových protagonist [Everything Was New. The Czech Economy after 1989 – Several Perspectives on the Transformation Process through the Eyes of Contemporary Protagonists]. Praha: Karolinum – Ústav pro soudobé dějiny AV ČR.
- Mlčoch, Lubomír. 1992. The Behavior of the Czechoslovak Enterprise Sphere: A Survey of Microeconomic Works of 1968–89. Prague: Institute of Economics CAS.
- Rameš, Václav. 2021. Trh bez přívlastků, nebo ekonomickou demokracii? Spory o podobu vlastnické transformacevporevolučním Československu [A Market without Attributes or Economic Democracy? Disputes over the Form of Property Transformation in Post-revolution Czechoslovakia]. Prague: ÚSD AV ČR.
- Rameš, Václav and Michal Kopeček. 2019. "Od socialistické teorie řízení k neoliberálnímu manažerismu [From Socialist Management Theory to Neoliberal Managerialism]." Pp. 155–184 in Architekti dlouhé změny. Expertní kořeny postsocialismu v Československu [Architects of the Long Change. Expert Roots of Postsocialism in Czechoslovakia], edited by Michal Kopeček. Prague: Argo.
- Sommer, Vítězslav. 2018. "Managing Socialist Industrialism: Czechoslovak Management Studies in the 1960s and 1970s." Pp. 237–259 in *Planning in Cold War Europe: Competition, Cooperation, Circulations (1950s–1970s)* edited by Michel Christian, Ondřej Matějka, and Sandrine Kott. Berlin: De Gruyter.
- Sommer, Vítězslav et al. 2019. Řídit socialismus jako firmu. Technokratické vládnutí v Československu, 1956–1989 [Run Socialism like a Business. Technocratic Governance in Czechoslovakia 1956–1989]. Prague: NLN – ÚSD AV ČR.
- Soulsby, Anna. 2001. "The Construction of Czech Managers' Careers." International Studies of Management & Organization 31(2): 48–64.

- Soulsby, Anna and Ed Clark. 1996. "Economic Restructuring and Institutional Change: Post-Communist Management in the Czech Republic." *The Journal of Socio-Economics* 25(4): 473–496.
- Soulsby, Anna and Ed Clark. 1996. "The Emergence of Post-Communist Management in the Czech Republic." *Organization Studies* 17(2): 227–247.
- Szelényi, Ivan and Lawrence Peter King. 2004. *Theories of the New Class: Intellectuals and Power*. Minneapolis: University of Minnesota Press.
- Ševeček, Ondřej. 2009. Zrození Baťovy průmyslové metropole: továrna, městský prostor a společnosb ve Zlíně v letech 1900-1938 [The Birth of Baťa's Industrial Metropolis: Factory, Urban Space and Society of Zlín in 1900–1938]. České Budějovice: Veduta.
- Šmejkal, Boleslav. 2023."Práce [Work]." Pp. 380–397 in Dějiny města Zlína 2. Moderní město [History of Zlín 2. Modern City], edited by David Valůšek, Ondřej Ševeček, and Vítězslav Sommer. Zlín: Statutární město Zlín.
- Štefek, Martin. 2024. Perestrojka v Šamotce. Proměny vedoucí úlohy KSČ z perspektivy jednoho podniku [Perestroika in Ceramic Factory. Changes in the Leadership Role of the Communist Party of the Czechoslovak Republic from the Perspective of One Enterprise]. Prague: Argo.
- Vilímek, Tomáš. 2012. "Mladoboleslavská Škodovka v období normalizace (1969–1989) [Škoda Mladá Boleslav during Nornalization 1969–1989]." Pp. 63–175 in Česká společnost v 70. a 80. letech. Sociální a ekonomické aspekty [Czech Society in the 1970s and 1980s. Social and Economic Aspects], edited by Oldřich Tůma and Tomáš Vilímek. Prague: Ústav pro soudobé dějiny AV ČR.
- Vilímek, Tomáš. 2019. "Podnikový management v Československu. Od socialismu ke kapitalismu [Corporate Management in Czechoslovakia. From Socialism to Capitalism]." Pp. 103–153 in Architekti dlouhé změny. Expertní kořeny postsocialismu v Československu [Architects of the Long Change. Expert Roots of Postsocialism in Czechoslovakia], edited by Michal Kopeček. Prague: Argo.

## Author

*Vitězslav Sommer* is a researcher and deputy director at the Institute of Contemporary History of the Czech Academy of Sciences in Prague. His research focuses on economic and social history and the history of expertise in state socialism and post-socialism. His publications include articles in *Studies in East European Thought* and *History of Political Economy*. He is the principal investigator of the research project "Deindustrialisation and the New Economic Order. The Regional Economy and the Zlín Shoe Industry between Central Planning and the Market Economy" funded by the Czech Science Foundation (2024–2026). Contact: sommer@usd.cas.cz