Rotman School of Management
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RESEARCH PAPER

The Bata Shoe Company, 1876 to 1970: Appraisal of Strategic Global Choices

Part II: Stabilizing, Strategizing, and Solidifying (1932 – 1970)

Canadian Business History

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This research paper was prepared by Sanjeev Kumar under the direction of Professor Joe Martin as the basis for class discussion rather than to illustrate either effective or ineffective handling of a managerial situation.

Contents

The Bata Shoe Company, 1876 to 1970: Appraisal of Strategic Global Choices

Part II: Stabilizing, Strategizing, and Solidifying (1932 – 1970)

1 Introduction

Thomas J. Bata Jr., son of the visionary entrepreneur Thomas Bata, battled succession conflicts, the appropriation of three quarters of his assets[1] and political upheavals in building up the largest family-owned, Canadian-based Company in the world.[2] In his own words, Bata Jr. describes the challenge of his unique heritage. "Being the only son of a legendary father can be a mixed blessing.… There is an enormous weight of expectations, along with a sometimes-frustrating struggle to acquire one's own identity, away from the parent's shadow."[3] However, Bata Jr. proved himself to be up to the challenge and left his own legacy as the worthy successor of a legendary father by expanding the business amid severe challenges on several fronts. This research study will trace the journey of Bata Jr. from 1932 to 1970, a time span which can be further sub-divided into the following periods:

- 1914 – 1932: at a young age, Bata Jr. gets exposure to the bigger world outside of his home-base of Zlin — he spends his school years across Czechoslovakia, and in Switzerland and England, and closely watches his father's global moves.
- 1932 – 1936: Following the death of his father in 1932, Bata Jr. begins to take various operational roles in the company to develop his management skills.
- 1937 – 1945: During this period, Bata's business came under significant threat due to the political upheavals caused by rise of Adolf Hitler and Nazism. Bata Jr.'s role during this period expanded from being an operational manager to executing the strategy of shifting the base to Canada.
- 1946 – 1960: Bata Jr. takes the lead in rebuilding the company after WWII and expanding the business to new levels as the number of employees worldwide grew from 34,000 to 57,000.
- 1960 – 1970: Bata Jr. wins the litigation over ownership and officially becomes the chief executive of Bata. He continues to build a global business at a remarkable pace and scale across countries with different socio-political dynamics.

1 Thomas J. Bata with Sonja Sinclair, *Shoemaker to the World*. (Toronto: Stoddart Publishing Co., 1990), p. 214.

2 Christina Lubinski, Jeffrey Fear and Paloma Fernández Pérez, eds, *Family Multinationals: Entrepreneurship, Governance, and Pathways to Internationalization*. (New York: Routledge, 2013), p. 56.

3 Bata, *Shoemaker to the World*, p. 6.

2 The Initial Period

2.1 1914 – 1932: Like Father, Like Son

Thomas J. Bata Jr. was born on September 17, 1914, into a family of shoemakers. He made his way into the world shortly after the onset of WWI. By this time, his father, Thomas Bata Sr., had already established a successful shoemaking factory in Zlin, Czechoslovakia, which was well on its way to becoming a global player in the shoe industry. From an early age, Bata Jr. viewed his father as his role model and his main ambition was to live up to his standards and grow up to be like him.[4] Bata Jr.'s parents, Thomas and Marie Bata, were very methodical when it came to the upbringing of their only child. They feared that he might grow up spoiled or entitled as the lone son of a successful businessman. Therefore, they began to stress to their son the importance of meritocracy, self-reliance and responsibility early on in his upbringing. In fact, Bata Sr. referred to the value of earning one's rewards through merit in a magazine quote. He said, "I have a thousand sons, though only one bears my name; and the best one of them all will inherit my violin."[5] This comment demonstrated his view that Bata Jr. could not assume that he would inherit the father's business or be crowned heir apparent by virtue of his bloodline alone.

Bata Jr.'s formal education began at the age of six in public school at Zlin. Like his schoolmates in town, he walked barefoot 15 minutes to school each day. Although his parents could afford to buy him shoes, this decision was designed to create in him a sense of equality with his peers and prevent him from feeling superior to the other children, whose parents were factory workers. Despite this emphasis on equality through dress, Bata Jr.'s parents took a different view about language and culture. They were keen to expose their son to a broad world view. That is why, at the age of eight, Bata Jr. was sent to summer school in Germany during his holidays. Then, at the age of 11 he was enrolled in a prep school in England called "Golden Personage."[6] Shortly afterwards, in 1925, he was sent to a French-language boarding school in Switzerland. By the age of 11, he had already studied in three languages, English, German and French.[7] While in Switzerland, he first learned about Adolf Hitler, four years before the Nazi leader came to power. His formal education in different countries helped him develop an appreciation of European languages and culture at an early age. In 1929, at the age of 15, he started his formal training in shoemaking. To become a fully qualified operator at a shoemaking business, Bata Jr. was required to complete five years of training which included three years of apprenticeship and two years of experience as a journeyman. Bata Jr. started his apprenticeship under the close supervision and guidance of his father. The younger Bata began to acquaint himself with the details of the shoemaking business and observed his father's actions closely before Bata Sr.'s death in 1932.

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4 Bata, *Shoemaker to the World*, p. 9.

5 Ibid., p. 16.

6 Ibid., p. 18.

7 During his schooling in Switzerland, he met Allan Burton, who went on to become President, and later Chairman, of Simpsons, one of Canada's leading department stores.

The following are three key lessons Bata Jr. learned during this period, which shaped his management style and informed his work style and modus operandi for the future:

1. The value of technology

Towards the end of his apprenticeship, Bata Jr. chose to learn and perform the gritty task of perforating or "side-lasting of men's Goodyear welt shoes". This was one of the toughest tasks at the factory, and one of the best paid functions. In this arduous operation, the operator holds a wooden "last" (a mechanical form or mold shaped like a human foot).[8] This object weighed half a kilogram and the operator was required to hold up the object, resisting the downward gravitational pressure of a machine that drove 20 tacks into the shoe. At the end of his stint of four weeks, a new machine was introduced which used staples rather than tacks, reducing the physical effort by almost half and increased productivity. This innovation demonstrated to Bata Jr. that a small change in machinery could have a huge impact on operations and productivity.

2. The politics of trade

After finishing his apprenticeship in 1929, Bata Jr. started to work in the firm's export department. By this time, the company had opened retail outlets in six countries, selling footwear manufactured in Czechoslovakia. Czechoslovakia had overtaken the world's leading shoe-producing nations such as Great Britain and the United States.[9] Bata's share in the overall shoe exports from Czech region rose from 50 percent to 88 percent between 1929 and 1935. The Bata shoes were priced lower than those made by local manufacturers and therefore the firm's market share kept growing. However, this period coincided with the onset of the Great Depression, which was marked by a severe outbreak of protectionism. Many countries, including those in Europe, adopted restrictive trade policies.[10] However, Thomas Bata Sr. did not initially realize that the economic climate would hamper Bata's exports. The elder Bata believed that no government would penalize a business that was providing good quality products at a cheaper price. However, the firm's low prices were construed as a "price-dumping" strategy and foreign governments began to apply tariffs on imported Bata shoes. These in turn affected Bata's export revenues. To remedy this situation, Bata Sr. decided to shift his strategy to local production. Instead of exporting shoes he decided to manufacture his products locally. Bata Sr. established the first of these factories in 1932 in Western Europe, in Mohlin on the Swiss side of the Rhine River.

3. The legacy endures

On July 12, 1932. Bata Sr. was scheduled to oversee the launch of the new plant in Mohlin but fate intervened. The plane in which Bata Sr. was travelling crashed shortly after takeoff from the company's airport. The younger Bata, who was in Mohlin in preparation for the event, was devastated.

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8 A. Luximon, *Handbook of Footwear Design and Manufacture*. (Philadelphia: Woodhead, 2013), p. 80.
9 Lubinski, Fear and Fernández Pérez, eds, (2013), p. 63.
10 Barry Eichengreen and Douglas Irwin, "The Slide to Protectionism in the Great Depression: Who Succumbed and Why?" *The Journal of Economic History*, (Cambridge University Press, 2010), pp. 875-882.

He had suddenly lost both his father and his hero. After his father's death, Bata Jr. was later given one of his father's documents which came to be known as the "Moral Testament of Mr. Thomas Bata". This paper clearly articulated the elder Bata's vision and mission for his business. He viewed the enterprise as serving a broader social and economic good and enhancing the well-being of society. (See Appendix A.) This moral testament became Bata Jr.'s guiding principle on leadership and the purpose of business.

2.2 1932 – 1936: Developing managerial skills

Bata's widow, Marie, his step-brother, Jan Bata, and Bata's General Manager, Dominic Cipera, all worked together to stabilize Bata's operations after the death of Bata Sr. They also made plans to continue the managerial training for Bata Jr. They decided that it was important for him to gain more exposure to managerial responsibilities. One of his first leadership opportunities arose when he was 18 years old — he was tasked with managing one of the Bata stores in Germany. Bata Jr. landed in Germany in the fall of 1932 when the country was undergoing a severe economic recession. The unemployment rate reached its peak of around 30 per cent, fueling economic unrest and uncertainty in the country. This was a politically sensitive time — the Nazi leader, Adolf Hitler, promised "Work and Bread" and in 1933 was catapulted into power. Although Bata Jr. had left Germany a few weeks before Hitler came to power, he had witnessed Germany first hand. This experience left an impression on him from a young age about how a country's political landscape can be changed by the underlying economic circumstances. Shortly thereafter, at the age of 19, Bata Jr. was sent to Zurich, Switzerland, to manage one of the company's largest stores. There, he saw the aversion of customers towards a foreign manager. He came to understand the importance of acclimatizing himself to the local dialect of German.

After this stint, Bata Jr. returned to Zlin where he served as manager of one of the first self-service superstores in Europe, modelled after American superstores. His store soon won an award for the best financial performance, i.e. sales and profitability. At this point, Bata Jr. shifted his attention to other operations within the company, such as manufacturing and logistics. By 1935, Bata Jr. was learning the ropes of management by immersing himself in the different areas of the firm's business. Meanwhile, the political landscape of Europe was shaping into a troublesome one for the firm. In Germany, Hitler's regime confiscated Bata's assets, including modern plants and some 250 stores. This was a significant blow to Bata's business in Western Europe.

2.3 1937 – 1939: War clouds approach Bata's home base

After the death of its founder, others in the company worked to carry on. The leadership trio of Jan Bata, Dominic Cipera and Hugo Vavrecka continued to build the company on the foundation of Thomas Bata Sr.'s vision and strategy.[11]

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11 Hugo Vavrecka was an ex-diplomat who joined Bata's board just a few weeks before Bata Sr's death. Mr. Vavrecka went on to become a federal minister in Czechoslovakia.

The company survived the Great Depression and emerged as one of the world's leading shoemaking organizations, alongside other family-run shoe businesses in Europe such as the German company, Salamander Shoes, and the Swiss firm, Bally. (Appendix B provides more details on these competitors.) By 1938, Bata employed 65,000 people, one third of whom were outside of Czechoslovakia.[12] The company was operating 22 factories across the world.[13] This world-class organization had everything it needed to keep expanding globally from its core at Zlin. It enjoyed a well-established international market, exemplary manufacturing capabilities, a strategic procurement policy and a collegial work environment.

However, the world's changing political dynamics quickly engulfed Bata in one of its deepest crises. On March 12, 1938, Germany annexed Austria, giving the Nazi army a hold on the southwestern borders of Czechoslovakia. On September 29, German Chancellor Adolf Hitler, British Prime Minister Arthur Neville Chamberlain, Italian Prime Minister Benito Mussolini and French Prime Minister Edouard Daladier signed the Munich Agreement. This accord paved the way for the German annexation of Czechoslovakia's northern and western regions by early October 1938. The German conquest of Czechoslovakia was complete by March 1939. To avoid becoming trapped in the middle of this war, the senior leadership team, including Jan A. Bata and Bata Jr., decided to leave Zlin. The corporate head office in Zlin was closed and relocated to Zurich, Switzerland. Meanwhile, Jan Bata went to Poland while Bata Jr. moved to Canada, which had been chosen as the future centre for shoe machinery, for reasons to be examined later. Bata Jr., then the Deputy General Manager of the British Bata Shoe Company, was assigned the role of building up Bata's enterprise in Canada.

3 Canada's emergence from the Great Depression, 1929 – 1940

The Great Depression devastated many economies, but one country arguably suffered more than any other: Canada. By the time its economy hit bottom in 1932, Canada had suffered a decline of 34.8 per cent in its per capita gross domestic product (GDP). No other developed nation was hit as hard.[14]

Canada was, and still is, a country dependent on trade. In the 1920s, commodities such as wheat and lumber products, including newsprint, were particularly important. In 1930, U.S. President Herbert Hoover signed into law the Smoot-Hawley Tariff Act, which raised duties on many imports to historically high levels. This led to retaliatory tariffs and a drastic reduction in trade around the world.

In 1932, the United States elected Franklin Delano Roosevelt as president and voted in a Democratic Congress. Roosevelt's Secretary of State was the internationally minded Cordell Hull. Congress passed the Reciprocal Trade Agreement Act (RTAA) which began the process of returning the world to a less protectionist stance that was more favourable to free trade. With

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12 Lubinski, Fear and Fernández Pérez, eds, (2013), p. 67.

13 Stanislav Knotek, ed, *Thomas J. Bata Remembered, Recollections from Colleagues and Friends*. (Zlin: Nakladatelství Kniha Zlin, 2014), p. 133.

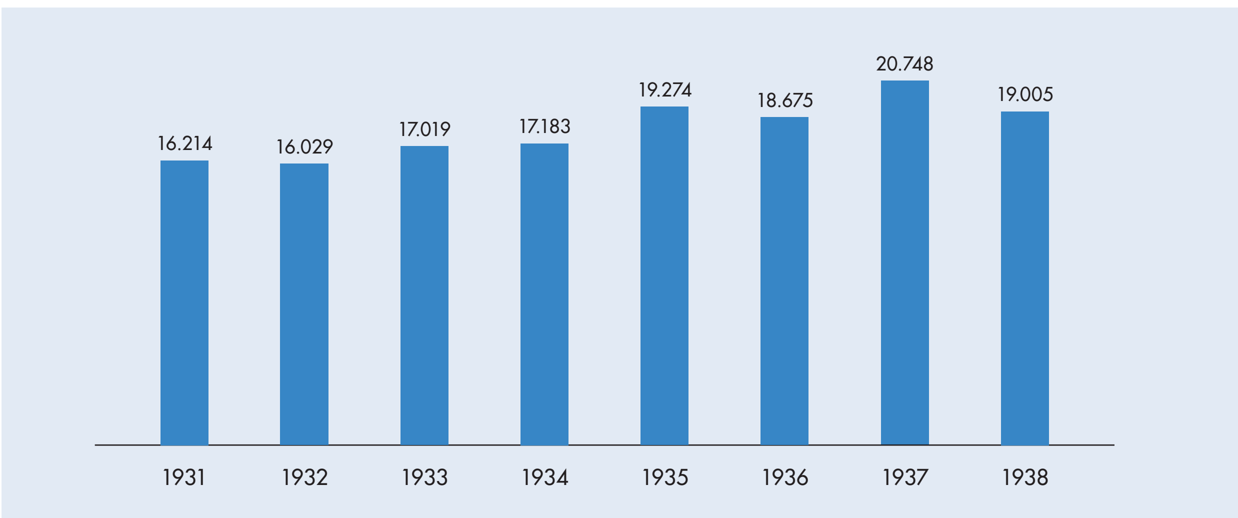
14 Joe Martin, "Great Depression Hit One Country Hardest of All", (Bloomberg blog, 26 March 2013).

the restoration of a freer trading environment, Canada saw its GDP per capita increase by 60 per cent between the 1933 trough and 1940, the year when Canada finally achieved its pre-depression level of prosperity.[15]

3.1 Brief overview of the Canadian Shoe Industry

The early footwear industry in Canada, like that of other countries, was highly fragmented, serving local markets and the shoemaking process was manual. The invention of new machines for mechanizing the activities in the process of shoemaking started to change the characteristics of the Canadian shoe industry. By the early 20th Century, the shoe industry in Canada became more centralized, manufacturers invested capital to procure machinery from the United States, and the local manufacturers were also helped by the increased tariffs of 25%. This increase in tariffs from 17.5% to 25% was part of Sir John A. Macdonald's National Policy of 1879. The industry continued to see increasing infusion of capital and increase in output. Figure 1, below, captures the number of pairs of shoes produced in Canada in the 1930s.[16]

Figure 1:
Shoe Production in Canada (1931 – 1938)
(in millions of pairs of shoes)



Source: John A. Sawyer, University of Toronto: Section R: Manufacturers, Statistics Canada

In 1937, the shoe manufacturing industry was one of the nation's biggest employers, with a level of output at $41 million. Because the prosperity of the shoe market was influenced by climate and culture, Canadians were ahead of many of their worldwide peers in the fabrication of waterproof winter footwear. In Ontario, the industry was historically concentrated in the Kitchener–Cambridge region, as well as in Toronto.

15 Martin, (26 March 2013).
16 John A. Sawyer, University of Toronto: Section R: Manufacturers, Statistics Canada, (https://www150.statcan.gc.ca/n1/pub/11-516-x/sectionr/R621_770c-eng.csv, 21 Nov 2017).

4 Laying the foundation for a future in Canada

Bata's initial intent was to build a modest factory in Canada. However, this plan was re-assessed and amended in December 1938. The company's leadership feared that its Zlin assets would be seized, which is why Canada was being considered as an alternative to Czechoslovakia as the company's centre for technological excellence, shoe machinery and production. At the age of 25, Bata Jr. was given a mandate to set up this centre, a herculean task at the time. He was now serving at the helm of a strategic international effort to transplant Bata's headquarters and brain power to Canada. Success was in no way assured, nor did he have the luxury of time, since the situation in Europe was deteriorating day by day. He had no road map to guide him and no precedent to follow, so this 25-year-old was breaking new ground, bringing Old World values together with the dynamism of the New World, combined with an entrepreneur's drive to succeed. In April 1939, he sailed across the Atlantic to New York aboard the luxury ocean liner the Queen Mary and then travelled by train to Toronto. Bata Jr.'s banker had introduced him to Vincent Massey, Canada's High Commissioner to the United Kingdom, who had written a letter to an influential Canadian cabinet minister, T.A. Crerar, to help smooth Bata's introduction to the Canadian government. (See Appendix C.)

The speed of subsequent events was a palpable sign that this upstart shoemaker was bound for success. The decision to relocate to Canada was made at Christmas in 1938, and by the summer of 1939, an assembly plant was operational. The first Bata shoes manufactured in Canada were hitting the market. To make this happen, Bata Jr. took a hands-on approach to leadership, coordinating the movement of men, material and money across the Atlantic within a period of six months. He showed his determination and decisiveness in overcoming some of the early challenges in setting up the Canadian operations:

1. By mid-January 1939, Bata had selected and motivated a highly skilled team of managers, designers, manufacturers and workers for the Canadian operation. Initially, he selected 250 people, but immigration restrictions curtailed his list to 100. The workers started to arrive in Canada by June 1939. The workforce was predominantly of Czech origin. The labourers were entering a foreign land and speaking a different language (most of them had Czech as their first language and some spoke German as a second language). In addition, most of them knew very little about Canada. The number of immigrants coming to Canada from Czechoslovakia significantly increased during the year from 1936 to 1939.[17]

2. Bata Jr. borrowed more than 1,000 machines and materials on credit from the parent company in Zlin to manufacture the first 100,000 pairs of shoes in Canada. He also received an investment of $300,000 from Bata's corporate headquarters in Switzerland. However, part of his initial investment had to be paid as an import duty to bring in all of the necessary machinery.

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17 Tables 7 & 8 relating to Immigration, *Canada Year Book*, (1941), p. 115.

His equipment was estimated at a value higher than its original price because Canada's customs office treated machinery as an inter-company transaction which it suspected was deliberately underpriced. The machinery started arriving in the summer of 1939 and one of the most valuable shipments arrived on August 31, 1939, from Germany — a case of exquisite timing. This was the day before Germany invaded Poland in a move that started the Second World War.

3. Technical and procedural hurdles had to be overcome for the imported machines to work in Canada. The Czech machines operated at an electrical frequency of 50 Hz, but the electrical supply in Toronto and Western Ontario was 25 Hz. The machinery would be damaged if it were operated at a different frequency, resulting in Bata's decision to move to Eastern Ontario. The equipment imported from Czechoslovakia operated on five-point plugs, different than the norm in Ontario. Consequently, Ontario Hydro (known as the Hydro-Electric Commission in 1939) took some time before finally, after several rounds of persuasion, approving the imported equipment with five-point plugs. This was all part of the Bata template, or "shopping list" — a garden variety plan for each of its factories that could be replicated around the world. The project also required a specially-designed crane and a person to operate it.

4.1 Setting up the base

The location of the Canadian headquarters was the most important consideration for Bata Jr. The venue was not just to be a store, but also a manufacturing centre for shoes and shoemaking equipment. Hence, the selection criteria for the site involved three key considerations:

1. Access to all modes of transportation, including railways, roads and waterways on an adequate-sized piece of land available at a reasonable price.

2. A conducive environment for running a business with support from the local population, reasonable regulations and a pool of labourers to join the company's workforce.

3. An adequate power supply. The machines imported from Czechoslovakia operated at an electrical frequency of 50 Hz. Communities east of Toronto were already following American minimum standards of 60 Hz, which was closer to Czech standards.

The province of Quebec was also considered in the quest for the site of a new plant. Premier Maurice Duplessis invited Bata Jr. for a discussion about the location of the flagship Canadian plant.[18] However, after considering the language barrier and the heavier administrative requirements of Quebec's footwear industry, Bata decided to set up in Ontario. Finally, a picturesque location on a plain by the west bank of the Trent River was chosen. This spot was surrounded by forests and was just two hours east of Toronto, and west of Belleville. The planned community was given the name of Batawa, a mixture of the Bata name and the city of Ottawa.

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18 Conrad Black, author of Maurice Duplessis' biography, confirmed knowledge of the lunch meeting between Thomas Bata Jr. and Maurice Duplessis based on his conversation with Thomas Bata Jr. The lunch meeting happened in 1938 at the Ritz Carlton, Montreal.

This rural site was selected as the host environment for Bata's Canadian operation and became the new engineering and technology capital for the Bata enterprise in later years.

Bill Fraser, the former mayor of the nearby town of Trenton and the Member of Parliament for the local riding of Northumberland, offered political support.[19] Fraser was also the Chief Whip in the Liberal government.

Other players in the Canadian shoe industry may have felt threatened by the arrival of a mass producer such as Bata. Established shoe merchants voiced their opposition to Bata's plans primarily through their industry association and through William Daum Euler, then Minister of Trade and Commerce in the federal Liberal government. Euler was the Member of Parliament from Waterloo North, one of the largest shoemaking centres in Ontario. The situation was diffused by Prime Minister King, who intervened to form a cabinet subcommittee that in turn set conditions for Bata's corporate plans. It limited the number of immigrants to 100, down from the original request for 250.[20] The Honourable Tom Crerar, Minister of Mines & Resources, whose responsibilities also included Immigration and Colonization, approved the settlement of 100 families of Bata employees. Once cleared, the families arrived in Ontario in the summer of 1939.

5 Bata turns Canadian, 1939 – 1964

5.1 Stabilizing the Canadian Operations

On September 1, 1939, Germany invaded Poland. Some 1.5 million troops marched into the neighbouring territory in an act of hostile aggression by Adolf Hitler that could not be ignored by other world leaders. Britain and France declared war on Germany on September 3, 1939, precipitating a global conflict just a generation after the last World War had ended. Within a week, the Government of Canada also declared war.

This marked a turning point in Bata's history. By this time, Czechoslovakia had come under complete German occupation. As citizens of an enemy-occupied nation, Czechs were subjected to restrictions and treated as "enemy aliens" in Canada. This affected Bata Jr. and other employees of the firm who were all Czech citizens at that time. All were required to report regularly to the RCMP, and Bata's operation in Canada was thoroughly investigated. As well, the firm was not initially permitted to partake in any war-related efforts. This restriction was a severe blow for the Bata enterprise in Canada. After thorough investigation of the Bata enterprise, Canadian agencies made the determination that Bata didn't support the Nazi regime and Bata Jr.'s commitment to Canada was above any suspicion. While the investigations were ongoing, Bata Jr. was simultaneously working with Member of Parliament Bill Fraser, lobbying for participation in the war efforts. Finally, after several rounds of persuasion, Bata was able to get military contracts subjected to terms and conditions. In addition, Bata was informed that he must cut all of his business ties with his home country during this war period.

Scarcely a month had passed since the company had launched its Canadian operation in a

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19 Bata, *Shoemaker to the World*, p. 60.
20 Ibid., p. 62.

makeshift plant, when suddenly it was forced to cut ties with its parent organization in Zlin. In his biography, Bata Jr. describes this as a traumatic experience, as if the ties between a protective mother and a fragile embryo had been snipped.[21] While political tension in Europe was worsening in the lead-up to one of the bloodiest periods in history, Bata Jr. also had to focus on building up the Canadian firm. He was striving to achieve business success and working hard on all fronts. Bata Jr. was not only responsible for settling the business but was also responsible for integrating the Czech immigrants into their new Canadian environment.

At the firm, Mr. Bata assumed the role of chief salesman. He tried to portray an air of success to new customers by arriving in a chauffeur-driven car when delivering the first 60 pairs of shoes to a community's store. This unique delivery method provided impetus to the firm's marketing efforts. Word-of-mouth advertising was a strong marketing mechanism and his first customers always enjoyed describing this novel approach to their colleagues.

After settling in, Bata Jr. continuously worked to demonstrate his civic duties and his commitment to Canada.

His company supplied shoes to the Canadian military and also leveraged its engineering capabilities by building some engineering control equipment for the military. He was able to combat suspicion and enhance his reputation after his Canadian firm shipped its first export order to support the Allies. The Canadian firm made and delivered an order of lathes — industrial machines used for shaping wood or metal — to the British Ministry of Aircraft Production. This shipment not only provided much-needed cash flow to Bata, but also illustrated the firm's commitment to Canada and the Allied war effort.

5.2 Building up Batawa

While construction on the new industrial complex was in progress, Bata employees started manufacturing shoes from the site of a former paper mill. The firm utilized its own in-house construction expertise by relying on a department developed under its founder, Thomas Bata Sr. As an industrialist and the mayor of Zlin, Bata Sr. had sought a streamlined approach to construction that maintained a balance between a respect for nature, consideration for cost, and the need for a concrete facility. This lean approach to construction had been ingrained in the Bata system since 1925 and most of the firm's industrial complexes across the world were based on that blueprint, including the Batawa site. The key drivers of this approach were Czech architect Jan Kotera, his apprentice Frantisek Gahura, and engineer Arnost Sehnal. This blueprint provided a practical template that enabled the firm to accelerate the pace of construction on its physical infrastructure and prepare its plants for operations at a faster pace than any of its peers.

Construction work on Bata's new factory and residential complex was completed in 1940. Subsequently, other amenities such as schools, a church, sports field, post office and bank were constructed as part of the planned community. All of these civic efforts paid off for Bata Jr., who was granted Canadian citizenship in 1942. He joined the Canadian Reserve Army and was part of

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21 Bata, *Shoemaker to the World*, p. 70.

the Belleville-based Hastings and Prince Edward Regiment. In essence, Bata Jr.'s acceptance in Canada was now complete. Thereafter, his focus shifted to managing the complex dynamics of the business. In the 1940s, the company's board of directors invited lawyer Wilf Parry and marketing expert C.K. Herz to join the board. Parry provided legal counsel to safeguard the business from the potential loss of its assets in enemy-controlled territories. As Bata operations in Canada stabilized, Bata Jr. began to rely heavily on these two directors, Parry and Herz, to oversee Canadian operations while he turned his attentions to Bata business worldwide.

5.3 Canadian Bata after World War II

The Bata company started to manufacture the first shoes from its Canadian base in August 1939. Gradually, the new factory was established. Its engineering function became operational in 1940 with machines imported from Czechoslovakia. However, during the initial years, the focus was on serving war needs by producing materials such as gyroscopes, artillery, torpedoes, etc., rather than manufacturing shoes. During those years, Bata did not have a significant retail presence. In fact, its first few stores were situated in Northern Ontario in the cities of Sudbury and North Bay, away from mainstream markets. These stores operated under a different brand name, Falcon. When the war ended, the firm's Canadian shoemaking operation was still in its infancy. After the war, Bata began to inject more capital into the firm and enhance the sales strategy to hone the Canadian operation. The key main challenges in expanding Bata during the postwar years were as follows:

1. Lost years and assets

The company's output before WWII in 1938 was 89 million pairs of shoes. That number dropped by almost 75% to 23 million pairs of shoes by the end of the war in 1945.[22] The postwar political environment resulted in the nationalization of Bata's assets in several countries. This was financially devastating for the firm.

2. Parent company becomes competitor

During the war years, communication with Zlin headquarters was disrupted. After the war, all of Bata's assets in Czechoslovakia were nationalized by the Communist regime. These assets included Bata's schools in Zlin which provided training to Bata's future leaders to run operations in the firm's global subsidiaries. This nationalization resulted in two "Batas" — one controlled by the political regime in Zlin, and another that was family-controlled in Canada.

3. Shifting from war to peace

Bata's Canadian operations during the war years were focused on serving the needs of the military, beginning with the production of lathes for export to Britain. After the war, a great deal of capital investment was required to refit these machines to make them suitable for shoe production. Bata's Canadian retail operation got off to a slow start due to its operating model, which not only

22 Knotek, ed, (2014), p. 117.

included manufacturing facilities, but also retail stores. The incumbents — i.e. wholesale dealers, shoe retailers and department stores — threatened to stop selling Bata products if Bata opened its own retail stores.

All of the above presented challenges to Bata Jr., who was still in his early thirties. He needed to take tactical steps to remedy the situation, but he was also striving to build the company's foundation for the future. Bata Jr. met with representatives of the firm's subsidiary companies in London to establish an organizational structure called "Bata Development Limited" (BDL). BDL became a multinational company that coordinated and oversaw the relatively independent Bata subsidiary companies all over the world. Its main goals were:[23]

- To develop a solid organizational structure and renew subsidiary companies in Europe;
- To rebuild subsidiary companies in Asian countries formerly occupied by Japan;
- To strengthen and expand a branch of new subsidiary companies in Africa and South America.

The BDL entity was designed not to be a typical parent company but rather to operate like a shared services organization for legal, technical and business affairs. BDL's headquarters was situated in London, since the UK's Bata operation was one of the most profitable sites in the postwar years. The other advantage was that Britain still occupied the centre of a vast political empire which helped the firm gain access to markets in Africa and Southeast Asia that were still part of the British Empire. This enabled the company to avoid protective tariffs in some markets in Asia and Africa.

In order for the Canadian subsidiary to succeed, Bata Jr. had to balance the firm's strategy with the realities of the market. He needed to leverage the distribution arm of the incumbent retailers to establish its presence in Canada. He began to open stores in smaller towns and cities, progressively introducing new brands for sale in other retail stores while keeping certain brands exclusively in Bata stores. By the 1950s, Bata's shoemaking capacity was in full swing in its Canadian factories, and the company had also expanded its retail presence. This enabled the firm to pursue its original goal for the Canadian operation, i.e., to develop a centre of excellence for the design and engineering of new processes, to manufacture better tools, and to advance technology in shoemaking.

5.4 Jan A. Bata

Jan A. Bata was the half-brother of Thomas Bata Sr. and worked closely with him in building the Bata enterprise. At the time of Bata Sr.'s death, Jan was 38 years old and was part of the senior leadership team. He was appointed as chief executive of Bata after the death of Bata Sr. He was instrumental in stabilizing the firm after Bata Sr.'s death and continued to expand Bata's international operations. During the war years, he moved to Poland and from there he moved to the U.S. in 1938. In 1938, Jan A. Bata started to display political ambitions, he openly started to be critical of the existing Czech president, and in fact his friends started to tout him to be the

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23 Knotek, ed, (2014), p. 118.

successor of then Czechoslovakian President Eduard Benesh. Marie Bata, wife of Bata Sr., had to face repercussions at Zlin due to Jan's anti-government stance. He travelled to Germany to meet with Hermann Göring, a prominent Nazi leader who was considered the second most powerful man in Germany. Jan returned to German-occupied Zlin after the German regime provided him assurance of safety. The regime allowed him to travel to the U.S. in July 1939 on a visitor visa, where, during the 1940 presidential campaign, he made speeches in favour of Roosevelt's opponents. Jan was blacklisted by the U.S. and other Allied countries as he was perceived as a Nazi sympathizer.[24]

6 Emerging as a global leader

In 1939, Bata Jr. was leading the Canadian operation and held all the shares of the Canadian company, however, Jan A. Bata was still listed as president of Bata Canada and also the chief executive of Bata. In November 1939, Jan wanted the core engineering team to be transferred to the U.S. from Canada. However, Bata Jr. disagreed, and the Batas had an argument. During this argument, Jan mentioned that Bata Jr. was to be replaced in Canada. Bata Jr. put his foot down on this and refused to budge from his decision. A week after this argument, Jan A. Bata resigned as president of Bata Canada and Bata Jr. was appointed the leader of Bata Canada. Jan's visa was not extended in the U.S. and in 1941 he moved to Brazil with an intention of establishing the headquarters in Brazil. However, he couldn't operate in Allied countries and hence he was disconnected from the operations in the Allied countries. On the other side of the spectrum, Bata Jr., based in Canada, had already been commissioned in the army and also maintained close association with the president in-exile of Czechoslovakia (Eduard Benesh). Consequently, the management teams in the Allied countries started to work more closely with Bata Jr. than with Jan A. Bata.

Additionally, the key attributes that enabled Bata Jr. to succeed in the period from 1939 to 1945 and to set the foundation for future success can be summed up as follows:

- ***Leadership with vision***
  Guided by his father's example, Bata Jr. had developed a clear vision about supporting his skilled team to be successful. He immersed himself completely in company operations to realize that vision. He provided leadership in both the formulation of strategy and the management of its execution.

- ***Collaborative working style***
  Bata Jr. demonstrated a co-operative approach. He liaised with everyone involved in a situation in order to make decisions. He also displayed a willingness to connect with bureaucrats and politicians in resolving key challenges in a healthy working environment.

- ***Confidence-building measures***
  The presence of a Czech entrepreneur in Canada during wartime was a challenge, but Bata Jr. demonstrated patience, perseverance and cooperation. He took steps to earn local trust and

[24] Bata, *Shoemaker to the World*, p. 153.

foster people's confidence in him before acquiring Canadian citizenship and a commission in the army.

From 1944 onwards, Bata Jr.'s leadership and professional reputation began to grow not only within Bata but also among global leaders. For example, in 1944, the British Ministry of Production leveraged his growing influence to persuade authorities in India to increase the supply of natural rubber for the Allied war effort.

As the war was coming to an end, Bata Jr. was coordinating efforts with the company's leadership team to assess the situation of its operations around the world. He started to focus on rebuilding the worldwide operations of Bata by organizing a global transformation team comprised of executives with experience in product design, development, retail, marketing, etc. Then he started to explore financing options to fund the rebuilding efforts and in this process he recruited key finance executives in the UK and Germany who successfully obtained financing from European banks. The next challenge was to recruit the right managers to enact the plan. For this, Bata Jr. decided to change his personnel strategy. Instead of hiring Czech managers to set up the operation abroad, he began to recruit non-Czech managers from the Bata School of Work. One of the first such recruits was 23-year-old Gerard Janssen. Janssen was of Dutch origin and his mandate in 1950 was to set up a rubber manufacturing plant in Sri Lanka. Mr. Janssen — who, after 40-plus successful years at Bata, retired as a senior executive — personified this cultural shift, where competency carried more weight than country of origin.

After 1944, Bata Jr. was actively engaged in rebuilding the international firm. This was necessary because, after 20 years at the helm, Jan A. Bata's leadership started to falter. Anecdotal evidence of Jan's flawed leadership during the postwar period includes:

- ***Digressing from the vision***
  Jan's political aspirations and his desire to showcase his personal profile contradicted the goals of Bata Sr.

- ***Failure of execution***
  Jan led the company through a growth phase after the death of Thomas Bata Sr. However, in later years, he faltered and spearheaded two massive business failures in the U.S. and Brazil.

- ***Mindset of "charging rent"***
  Instead of providing financial and moral stability during this challenging period, Jan tried to extract profits from the global firms to fund his own aspirations.

This contrast in leadership styles between Jan A. Bata and Thomas Bata Jr. during these years rendered the latter more popular with staff and colleagues across Bata's global operations. Despite the fact that he did not hold the title of leader of global operations, Bata Jr. became a central figure in the global organization towards the end of World War II. He travelled to different countries to assess the environment and familiarize himself with local business challenges. He exemplified a hands-on leadership style, demonstrating his ability to mediate and navigate through tough political situations. He believed in making necessary adjustments to adapt to changing situations. He also empowered local management to make strategic and operational decisions using sound performance measurement techniques.

These leadership traits enabled Bata Jr. to function as the de facto chief executive managing the Bata operations globally after WWII, although his uncle officially held the title. Bata Jr. not only stepped in to fix the firm's operations, but he also helped the company establish the foundation for sustainable growth.

Finally and officially, Bata Jr. was named the head of the global Bata organization in 1966, after a long legal battle with his uncle, Jan A. Bata.

7 Developing a sustainable business model in high-risk countries, 1950 – 1970

One of the most notable achievements of Bata Jr. was to strengthen the roots of the company's business model in the developing economies of Asia and Africa. India proved to be one of the most successful examples of Bata's international expansion. The firm's Indian operations were originally established by the firm's founder, Thomas Bata Sr., in 1931.

During a visit to India, Bata Sr. spotted a business opportunity. There was no domestic shoe manufacturing enterprise to serve one of the world's biggest and most populous countries. (At that time, India comprised the countries that are now India, Pakistan and Bangladesh.) In keeping with his vertical integration strategy, Bata Sr. set up manufacturing and retail operations in India, and by the 1930s the firm was operating almost 100 stores. The company survived in India even through the independence movement of the 1930s and 1940s and afterwards, when anti-British feeling was at its peak and people refused to buy British goods. One of the reasons the company survived may have been because Bata Sr. was a Czech citizen and Bata Jr. was Canadian, and neither Czechoslovakia nor Canada carried the same stigma of colonialism that Britain did.

Bata Jr. made his first trip to India in 1944 when the country was still under British rule, before partition in 1947. Bata used this trip to familiarize himself with the country's political reality and developed strong bonds with future leaders such as Jawaharlal Nehru, the rising political star who later became India's first prime minister, and Mohammad Zafrullaj Khan, the future foreign minister of Pakistan. After India's independence, Bata Jr. enjoyed cordial relations with Nehru, who now held the post of India's first prime minister. In fact, Nehru was Bata Jr.'s houseguest when the former visited Zlin in 1937. When asked why he was going to Czechoslovakia, Nehru gave two reasons: first, he anticipated that WWII would originate in Czechoslovakia; second, he wanted to witness firsthand the company's impact on Zlin so that he could better understand its potential in India.

The company's cordial relationship with India's political establishment served both parties well. India's leaders soon looked to the firm for support on various social initiatives, such as rehabilitating refugees after the painful partition of India. As the first president of India, Dr. Rajendra Prasad mentioned that he viewed the company as one that would set the standards for other businesses to follow. Warm relations continued, and Bata Jr. continued to travel to India on an annual basis for several years.

The firm's Indian expansion also illustrates Bata Jr.'s skill at overcoming local hostilities in the countries in which the company operated. Like several Asian and African countries, India was evolving into a nation in its own right and leaving its colonial status behind. Many post-colonial countries were at a nascent stage of development and hence posed a high risk for businesses looking to invest in those regions. The challenges were due to the following:

1. Digressing from the vision

Many developing countries were experiencing a high level of uncertainty around policy and decision making. The situations ranged from military rule and civil wars in Africa, to a socialist-based democracy in India;

2. Unsophisticated management

Business expertise in these countries in this era was minimal at best compared to standards in the developed world;

3. Limited capital

The access to capital in those regions through both debt and equity funding was immature and most corporations were either funded by government investment or were family-owned businesses.

Amid this uncertainty, Bata Jr. was able to develop a sustainable business model in most countries in which the firm operated, particularly in India — a success story whose data reveals tremendous growth in the 1970s under his stewardship. He was able to navigate the political, management, and financial risks by adopting the following strategies:

1. Long-term view

This involved a focus on building trust with the host country: India's first elected government under Jawaharlal Nehru unleashed socialist economic policies, including high taxation, nationalization of key industries, and stringent labour laws, especially for foreign-owned companies such as Bata. As part of domestic labour regulations, Nehru directed Bata Jr. to replace his European-based senior management team with local Indian talent. Bata Jr. responded positively to these changes. He understood the government's need for heavier taxation on big business in order to provide relief to small business. He also saw the wisdom of developing local talent, nurturing a pool of domestic individuals who could later transition to leadership roles in that region. Moreover, Bata Jr. encouraged the firm to partner with small enterprises and local cobblers to create more local employment opportunities. These steps enabled Bata to maintain good relationships within the Indian political system and at the same time foster business success in this new market. The company built a brand based on excellent customer service, a superior value-to-price ratio and a variety of products that offered consumers some choice in footwear that did not sacrifice quality.

2. Continuous leadership development

Bata Jr. was able to sustain success in these countries by following in his father's footsteps and building strong leadership programs that developed the local talent pool. According to Luis Ernesto Rojas, a Bata executive at the helm of many sites including India and South Africa noted that, "A lot of investment went into building talent from within the organization. At the senior leadership level, people were initially hired from outside India to head up key functions. At the same time, effort went into training and grooming internal people. In the 1960s, when it was quite unheard of, the company initiated a management training program, recruiting graduates from some of the best colleges. These trainees went through predefined instruction modules across different functional areas with a strong mentorship component. People were empowered and given responsibilities when they were still young. They were also exposed to Bata factories in other countries. A full-fledged training department ensured that relevant skills were imparted to people for their job. Clear focus, empowerment and talent building were key ingredients of Bata Jr.'s leadership style."[25]

3. A hybrid organization

As a company, Bata had always remained a private enterprise. However, its privately-owned structure came under scrutiny in 1973 when regulations in India limited private ownership through the Foreign Exchange Regulation Act. These rules imposed a limit on foreign ownership of 40 per cent. Many other global firms that were privately held decided to abandon Indian markets at that time. However, Bata Jr. took a different approach. He sold 60 per cent of the company's equity in its Indian operations by going public and the firm continued to thrive in India. This flexibility to alter its ownership model was an important ingredient in Bata's success in countries such as India. The new country was facing a climate of radical socialism and restricting private ownership, reducing foreign investment and increasing red tape in a way that would impede business.

Figure 2, on the following page, shows that Bata continued to remain profitable during India's socialist era. Meanwhile, during the same period, companies like IBM and Coca-Cola abandoned their Indian plans due to government policies they viewed as regressive. Bata continued to enjoy the largest market share of the shoe manufacturing business in India — at its peak, the firm controlled almost 60 per cent of the market in canvas shoes and 70 per cent of the market in leather shoes.

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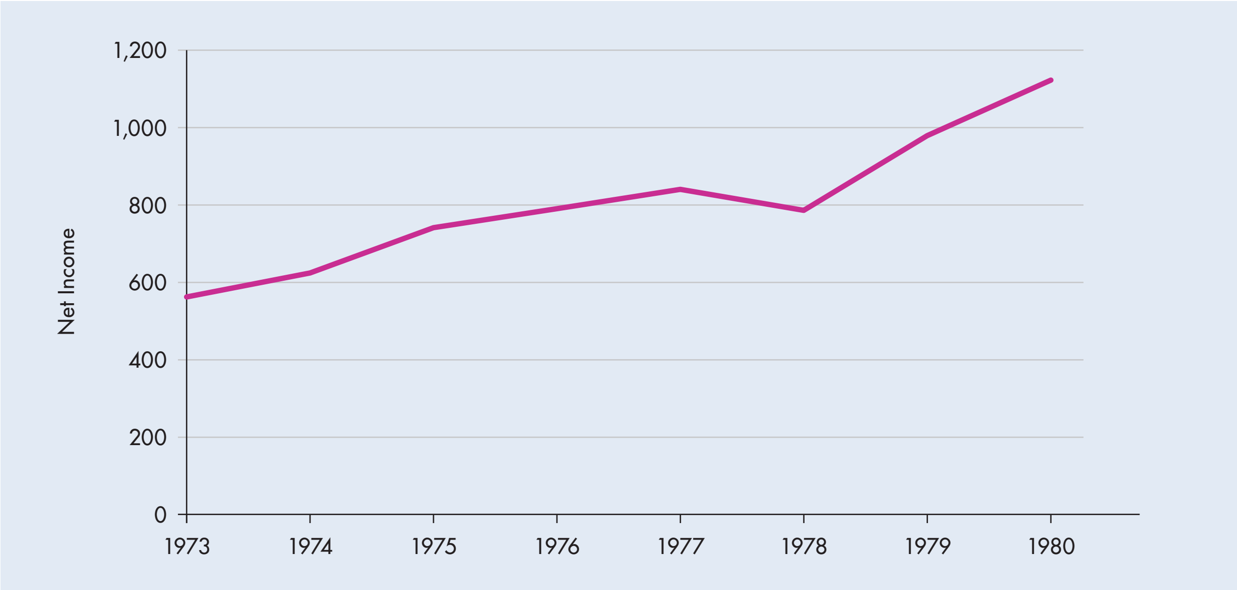
25 Email from Luis Ernesto Rojas, CEO of Bata India in January 2016. In this email he provided responses to a specific questionnaire on Mr. Bata and also enclosed financial results of Bata India since 1973.

Figure 2:
Bata India's Profit (1973 – 1980)
(in millions of Indian rupees)



Source: Luis Ernesto Rojas, CEO of Bata India, in a January 2016 email correspondence regarding Mr. Bata and financial results of Bata India since 1973.

4. A "multi-domestic" company

Tom Drucker, a former senior executive of Bata, notes that Bata Jr. nurtured a "multi-domestic" rather than a multinational company. Gerard Janssen, another Bata executive and alumni of the Bata School of Works, further explained the distinction. Janssen mentioned that the structure of the company was more like an integrated network of self-managed businesses, i.e. each country's firm operated like an individual business reporting to a local board of directors. These independent units checked in with the central office on a weekly basis through a standardized reporting format. This format included key performance indicators and was personally reviewed by Bata Jr. The mandate of global leadership at headquarters was primarily to set guiding principles for a code of conduct and brand building across the firm. Janssen recalled that Bata provided sponsorship to the World Cup of Soccer in 1986. The Bata logo appeared right behind the goalpost when Argentine player Diego Maradona made his infamous and controversial "hand of god" goal. The initial capital for this international sporting event came from the parent company.

8 Conclusion

From an early age, Thomas Bata Sr. was surrounded by shoemakers. In the family tradition, he learned the craft of shoemaking at an early age and sold wares in the local village. He soon realized the precarious nature of his family's welfare due to the unpredictable nature of Zlin's local market. The desire to improve and stabilize his family's economic situation led him to explore the bigger market of Vienna. This expedition marked the beginning of his career in business. The lure of bigger and better things led him to the United States in the early 20th Century, where he learned the benefits of improved productivity through mechanization, the importance of scale for growth and, more importantly, new management practices such as profit-sharing and clustering.

He was successful in combining his learning with his own savvy business instincts, building his firm into a global enterprise. His ability to think differently, act boldly, and manage decisively helped him to overcome the uncertainties of WWI, political upheavals in his home country, and the Great Depression. With his vision to "shoe the world", Bata Sr. was a pioneer in bringing a global mindset to the hitherto homespun craft of shoemaking and created guiding principles for global expansion. The elder Bata not only secured the family fortune by setting up Bata as a global enterprise, but he also refined and influenced the shoe industry as a whole by introducing business units and an economic model of partnership between employees and employers.

Unfortunately, Bata Sr.'s desire to build the company into a global enterprise came to an abrupt end in 1932 when he died in an airplane crash. By then, the conversion of this family-owned shoe shop into a global enterprise was already underway. In that year, the firm produced more than 35 million pairs of shoes and the firm was spread around 29 countries, employing more than 20,000 people. The company was well ahead of its industry peers in both market size and management system.

After the death of the elder Bata, the firm was led by his half-brother, Jan A. Bata. Meanwhile, the young Bata Jr. was being groomed by a trio that included his mother, Mary Bata, his uncle, Jan, and the firm's general manager, Dominik Cipera. Bata Jr. began his shoe career at the age of 18 and worked his way up in business by taking on different roles. Apart from learning the company's basic tenets at the home office, he also gained experience working in Germany and the UK. These posts exposed him to the underlying economic and political realities that precipitated WWII.

Bata Jr.'s first litmus test was to establish the Canadian unit. This task required him to demonstrate hands-on leadership on various fronts: selecting the team, negotiating with leadership, and honing a personal and professional reputation and brand in Canada. He was successful in navigating multiple obstacles involving people, power and politics in the establishment of the company town of Batawa, the Canadian version of Zlin.

Inspired by his father's vision, he was committed to global growth. Although his uncle, Jan Bata, was serving as global chairman of the firm, Bata Jr. familiarized himself with the business establishment of Bata in different countries in order to assess the more challenging locales and tackle problems there. The world was undergoing a tectonic political shift after World War II, and in this period Bata Jr. travelled extensively to learn more and to provide leadership and financial support to various units grappling with a changing world order.

The commitment to a global strategy with local adaptation was key to Bata's success from the 1950s to the 1970s as the company extended its footprint to more than 70 countries, employing more than 50,000 people worldwide, and becoming known for quality products. Bata Jr. successfully perpetuated his father's vision with a unique global strategy that combined centrally-controlled ownership with a delegation of responsibility to individual units elsewhere. This approach earned him the nickname of "Shoemaker to the World".

The global footwear industry has undergone a massive upheaval and faced many challenges over the years. The key reasons for Bata's success over multiple generations while other firms were perishing are twofold: effective leadership and an enabling vision.

Appendix A

Moral Testament of Mr. Thomas Bata Sr.[26]

THE MORAL TESTAMENT

(This version is a grammatically improved version of an earlier English translation of the Czech original)

To accompany
my last will.

The first condition for the prosperity of our enterprise and, therefore, also for the preservation of the property invested in it, is that you should not think that the enterprise is only yours and only for you.

Likewise our enterprise was not built for the sole purpose of securing the well being of its founders. There were higher motives which influenced us to suppress our passions and desires whenever we saw that they were harmful to the enterprise.

More than once were we ready to give our lives for the success of the enterprise and one person had already sacrificed his life for it to a great extent. One does not do that just to guarantee one's own livelihood.

In the development of our enterprise we saw the development and security of the well being of our entire region.

It gave us pride and motivated us to yet further tireless work as we saw that through our enterprise we were bringing a new and hitherto unknown life to our regions, and that with its development the general well being and education of our people was being raised.

It was the longing to create, to offer to larger and large numbers of people a participation in the benefits which our enterprise provided to the workers as well as to the customers.

As long as you will serve this great idea thus far you will live in accordance with the laws of nature and of man. Thus long will you be useful to all and thus long will you be unconquerable. However, as soon as you will think only of yourselves, as soon as you cease to serve with your enterprise the common good, you will become superfluous and you will inevitably fall.

Declared by the District Court in Zlin on 13th July, 193~~0~~2.

BB/jc
March 18, 1988

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26 Provided by Ms. Libuse Peichl, Executive Assistant to Mr. Thomas J. Bata and later to Mrs. Sonja Bata until her death in 2018. Ms. Peichl is involved with the work to archive Bata materials at the University of Toronto.

Appendix B

Competitors in Europe

Two European companies can be compared to Bata based on origins, product lines and the nature of ownership.[27] These companies are the German firm, Salamander Shoes, and the Swiss shoe company, Bally. Both of these companies had beginnings that were similar to that of Bata. They began as family-owned businesses from rural beginnings that later became global players. Both started out in the same era and in the same industry as Bata. Their respective towns of origin were Kornwestheim, Germany, and Schönenwerd, Switzerland. Salamander and Bally both had a significant impact on their birthplace towns, as Bata did with Zlin.

Salamander came into existence in 1904 in West Germany after shoemaker Jacob Sigle teamed up with leather merchant Max Levi. They set up their joint operation, including a large shoe factory, in Kornwestheim, Germany. By 1914, Salamander employed 2,880 people and produced over two million pair of shoes. The firm endured several transformations and later faced tremendous losses. During World War II, it closed 26 per cent of its factories and 50 per cent of its stores. However, the company recovered after World War II and production levels climbed to 7.9 million pairs of shoes with a workforce that numbered 9,900. By 1967, it employed 17,800 workers who produced 13.5 million pairs of shoes. The company went international with the opening of Salamander France in 1960 and Salamander Austria in 1969. However, Salamander underwent severe restructuring after competition increased in its home market in Germany. By 1981, the number of employees dropped to 7,566 with production levels falling to eight million pairs of shoes. After undergoing several ownership transitions and being acquired by different parent organizations, Salamander, its assets and brand, are now under the control of the German-based company called ara Shoes AG. This privately-held firm has a primary focus on wholesale clothing, including shoes, athletic wear, fur products, and accessories such as gloves, ties, suspenders and umbrellas.

Carl Franz Bally founded his namesake company in Schönenwerd, Switzerland in 1851. He had a vision to create exquisite footwear from the finest leather using the most innovative craftsmanship. He sought creations with a strong sense of functionality and modernity. In the 1870s, Bally started to import shoe manufacturing machinery from the U.S. The company expanded globally by building retail stores in Montevideo, Uruguay, and Buenos Aires, Argentina, along with London and Paris. In the 1880s and 1890s, Bally developed its unique brand positioning in fashion footwear by revolutionizing women's shoe design. The firm grew continuously by investing in new innovations. By 1916, the company employed more than

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27 Lubinski, Fear and Fernández Pérez, eds, (2013), pp. 56-58.

7,000 people and was producing four million pairs of shoes. Bally continued to invest in and grow the luxury segment of the footwear industry with some of the following notable mentions:

1. In the 1930s, a short film featuring Charlie Chaplin was shot to promote Bally shoes.
2. In 1948, Bally's Rominger Ski Boots were worn by gold-medal winners at the St. Moritz Winter Olympics. These boots were promoted as helping the skiers take home the gold in the women's downhill, women's slalom and men's slalom events.
3. In 1953, Sir Edmund Hillary and his climbing companion, Sherpa Tenzing Norgay, became the first humans to conquer the summit of Mount Everest. They were wearing Bally Reindeer-Himalaya boots during the historic ascent.

Bally continued to grow by expanding from its core business in luxury footwear into the development of other products. Clothing, handbags and leather goods for both women and men were produced. Bally was one of the first luxury brands to offer its products for sale in China in the 1980s. Today, the company is under the ownership of the Joh. A. Benckiser Holding Company (JAB Holding Company), the Austrian family firm. This organization controls and manages investments in companies with premium consumer goods brands. Their products include shoes, coffee, body care and home care products. The JAB Holding Company acquired Bally from the private equity firm of TPG in 2008 at an estimated value of $600 million.

Appendix C

Letter from Vincent Massey to T.A. Crerar[28]

OFFICE OF THE
HIGH COMMISSIONER FOR CANADA,
CANADA HOUSE,
LONDON, S.W.I.

27th March, 1939

Dear Mr. Crerar,

This is to introduce Mr. Thomas Bata about whose visit to Canada I have already written to you.

Yours sincerely,

Vincent Massey

…on. T. A. Crerar,
Minister of Mines and Resources,
Ottawa.

28 Provided by Ms. Libuse Peichl, Executive Assistant to Mr. Thomas J. Bata and later to Mrs. Sonja Bata until her death in 2018. Ms. Peichl is involved with the work to archive Bata materials at the University of Toronto.

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