

## Dissertation Session Comments

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This year the Business History Conference received 27 dissertations, a sign of the coming of age of business history as a distinctive and very active field of historical inquiry that is producing Ph.D. students in substantial and growing numbers. I was very impressed by the high quality of the submissions and the wide range of interesting subjects addressed. The combination of high quality and large quantity made the task of selecting the “best” dissertations very challenging. In the end I selected the dissertations written by the five people you see up here on the stage with me. I chose the dissertations that seemed to me to make the most significant contributions to the field in terms of the excellence of the research, the quality of the author’s writing and argumentation skills, and the importance of the topic.

I will comment briefly on each of the dissertations, starting with the only one with a non-U.S. subject. What I found especially compelling about Peter Caldwell’s dissertation on the Scotch Whiskey industry was the way that Caldwell wove together a complex and very holistic explanation of the country’s economic transformation from subsistence agriculture to industrialization. Caldwell combined an in-depth examination of Scotland’s economic and business history with analysis of ecological, social, cultural, and political change. At the heart of his analysis is his insight that the proliferation of whiskey stills on Scottish countryside in the late 1600s set off the transformation of the Scottish economy by providing the feed stock that Scottish farmers needed to grow more cows. This not only generated a surplus of beef that supported the growth of beef exports, generating income for farmers and the economy as a whole, but equally importantly it generated manure that enabled farmers to expand the amount of arable land on which they could grow barley. As a result they were able to expand the whiskey industry, which in turn enabled them to raise more cows and export more beef, which enabled them to grow more barley and produce more whiskey, and so on. This system of feedback loops is the engine of growth that Caldwell argues was at the heart Scotland’s economic transformation. It not only stimulated the development of new whiskey products such as high quality malt liquors and cheap grain spirits, and new marketing capabilities that included the development of brand name whiskeys; but it also led to a wide range of innovations in the technology of whiskey production that brought formerly very backward Scotland into the industrial age of steam engines and advanced machine and process designs.

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Significantly, Caldwell does not stop with this analysis of economic and technological development, but goes on to situate the economic transformation in the broader context of Scottish social development and the regulation of the Scottish economy by the British. He analyzes a wide variety of feedback loops between the economy, society, and government that either stimulated, shaped, or resulted from the socio-economic transformation of Scottish society. I found his exposition of these feedback loops quite brilliant in scope and concept.

I did have a few problems with the dissertation, which I would like to discuss in the hopes that it will be useful to Mr. Caldwell as he revises it for publication. One has to do with writing style. Large parts of Caldwell's dissertation are models of expository clarity and wit. However, other parts are written in an exceedingly convoluted, hard to follow style. This is particularly true of some of the all important early sections (where Caldwell is trying to capture his audience's interest), particularly the section where he discusses the black cow conundrum, where he really seems to beat around the bush in a rhetorical sense. This is also a problem in much of his analysis of social relationships that existed in the countryside prior to transformation, which seems overly complicated, largely because of writing style.

Most of the rest of dissertation is very well written and easy to follow. However, the problems with writing style in the sections on the social dimensions of Scotland's economic transformation reflect a larger issue. For I also had problem, a more substantive one this time, with Caldwell's analysis of the social consequences of the emergence of the whiskey industry, which he distilled into what he labeled the "study of joy." Caldwell did a good job of debunking the idea that the whiskey industry was the product of desperately poor rural folk who stupidly wasted good land raising a crop that was only good for making into something people could get drunk on. He showed that the rise of the whiskey industry was very rational, not stupid, and that it had a number of positive ramifications in the economy, both as an engine of economic development and as a storehouse of wealth. He talked about the positive uses of whiskey as a medical anesthetic and especially as a depression alleviator. I had problems, however, with his effort to distill, rhetorically at least, the social consequences of the proliferation of whiskey stills into what he called the "essence of joy." Caldwell could, I think, greatly strengthen his study and bring his analysis of the multiple socio-economic and political consequences of the rise of the whiskey industry to full closure if he would explore in much more detail the negative as well as the positive effects this had on Scottish social life including its impact on alcoholism. One of the greatest strengths of his dissertation is the holistic way in which he has approached his subject and his willingness to put the rise of the whiskey industry into a broader socio-political context. I would like to see him strengthen the section on the social consequences of the rise of the whiskey industry and bring it to full closure. This analysis is an important part of what makes the dissertation a holistic analysis of economic transformation, which is large part of what makes this dissertation so very stimulating a contribution to the business history field. This holism needs to be made whole.

I will now turn now to the dissertations that concern the evolution of American business. Sven Beckert's dissertation on the making of New York City's bourgeoisie is an engrossing and thought provoking exploration of the economic, social, ideological, and political formation of a self conscious capitalist (in Beckert's words, bourgeois) class in nineteenth century New York City. Beckert uses the tools of the social and political historian to document and elaborate his argument that New York City's bourgeoisie developed a fully articulated class identity only after the Civil War. He provides in depth analysis of the occupational structure of the city's bourgeoisie, its kinship structure, neighborhood structure, club and associational structure, and patterns of conspicuous consumption as well as a detailed description of the various roles the city's merchant, industrialist, banker, and professional leaders played in the political life of the city and the political ideologies they espoused.

The result is a study that forges important links between business history and social history – both illuminating and helping to fill a void in both fields, namely the lack of sophisticated contemporary research into the formation of a self-conscious capitalist class. We have heard a great deal in the past several years in sessions of the Business History Conference as well as our sister organization the Economic and Business Historical Association about the need to expand the envelope of the field of American business history beyond its current focus on the institutional evolution of the modern corporation. A variety of people have urged us to spend more time exploring the role business has played in the history of American society. In particular, there has been a great deal of interest expressed in studying social and cultural dimensions and the ramifications of business development. In fact, a call has gone out for papers for a special conference on this very topic next spring. What is important is that this dissertation makes the connection between business and social history in spades. In so doing, it helps light the way toward further work that would relate the rise of the modern managerial firm to broader issues in American history.

This said, I do have a few critical and I hope helpful comments for Mr. Beckert. I think the weakest part of his analysis is his development of his argument that involvement in the effort to win the Civil War moved the city's bourgeoisie toward class consciousness; this section is much weaker than his analysis of class formation in the pre-war and post-war era. This section of his study is mostly just analysis of political activities organized by bourgeois New Yorkers to advance the war effort, supplemented by analysis of how various members of the bourgeoisie enriched themselves as result of their involvement in the war. Beckert provides very little analysis of social structure of the sort developed in his early chapters nor, even more importantly, does he provide evidence of the articulation of a bourgeois class consciousness. At the heart of his analysis is his discussion of the bourgeoisie's reaction to the Civil War draft riots. Even here, however, he does not show the bourgeoisie articulating a class consciousness. He himself points out that members of the city's capitalist elite could not agree on much besides the need to restore order, and even the restoration of order from their perspective was essentially about the management of the

war effort, and not about class struggle. Now maybe I am misinterpreting Beckert here. But he states in his introduction and elsewhere that his thesis is that the Civil War moved the bourgeoisie toward the formation of a class consciousness. It seems to me that he has documented the opposite – that the war did not stimulate capitalists to develop a separate class identity. Beckert should either clarify his exposition of his argument or go back to his materials and describe in much more detail examples of how involvement in the war effort led to the articulation of a sense of class identity.

Secondly, I think it would be helpful if Beckert looked more closely at economic competition within the bourgeoisie and the role it played in the formation of a capitalist class consciousness. Beckert has a lot to say about competition between the four major segments of the bourgeois class – the merchants, industrialists, bankers, and professionals. I would urge him to also pay attention to competition within the segments. The period his study covers was an era of incredibly intense competition between people in the same line of business, especially in the commercial and industrial sectors – ruthless, ruinous competition. This competition is behind the pooling Beckert discusses, but it was important not simply because efforts to establish pools may have in some way advanced class consciousness the way that social clubs and other business organizations did. (I doubt pools did this as they were so very unstable.) What makes this internecine competition important is that it fed into the economic crisis that shook the bourgeoisie during the 1870s. I'd like to suggest to Beckert that he explore the possibility that the bourgeoisie projected a lot of their fear of each other onto the working class. After all, their real enemies were not workers, who were increasingly in oversupply and easily exploited. Their real enemies were their fellow businessmen, the ruthless competitors who threatened their very ability to stay in business. I would suggest that analysis of the combination of ruinous competition and economic hard times would go a long way toward helping Beckert explain the bourgeois's hysterical reaction to the post-war strikes – after all, strikes and riots had taken place in the past and not stimulated the fear and the articulation of class consciousness that these strikes generated. What had changed? The market had become much more competitive and, as a result, much more precarious and frightening for those in business.

Regina Lee Blaszczyk's dissertation is a brilliant examination of the interface between production and consumption, and between marketing strategy and culture, in the American household glass and ceramics industries. Blaszczyk uses a series of very detailed case studies of the marketing strategies of different glass and chinaware companies to insert serious business history into a sophisticated analysis of the evolution of the culture of consumerism and mass consumption that had become so deeply entrenched in American society by the mid-twentieth century. In the process, she provides a far reaching critique and revision of the cultural hegemony theory of the rise of consumer culture articulated by American Studies historians.

What Blaszczyk uncovers is a multidimensional two-way relationship between production and consumption that through an iterative process of

dialectical interaction stimulated the emergence of a culture of consumerism and gave it meaning and shape. Blaszczyk finds that only the biggest manufacturers had the capacity to “reshape desire” in the ways the cultural hegemonists describe – and they were able to wield this power with only limited success.

Instead, most glass and china manufacturers relied on a variety of intermediaries – from focus groups of housewives and home economics teachers to buyers for large department stores, urban retailers, advertising executives, and skilled product designers – to tell them what the public wanted. Then they geared up to supply the market, and in the process instituted all sorts of innovations in product design and manufacturing process technology in their efforts to reduce cost and maximize profit.

In my view, this is a really brilliant piece of business and cultural history to which this thumbnail summary does not do justice because of the richness of Blaszczyk’s case studies. Along the way Blaszczyk addresses all sorts of related topics of interest to business historians, like the relationship of batch to mass production and issues related to innovation in engineering technology and the role of the individual in the evolution of an industry.

If her dissertation has any serious weakness it is that it is an extremely long study, whose multi-case study structure enables Blaszczyk to say so much about so many things that she almost defies the limits of my admittedly boundedly rational ability to absorb all of her analysis. In other words, her study is almost too rich.

On the other hand, the scope of the study and its use of multiple case studies is also its greatest strength, for it enables Blaszczyk to do something that I think is very important – over and beyond taking on the cultural hegemony school (which is a great accomplishment in and of itself). It enables her to capture the multiplicity and multidimensionality of historical experience and incorporate this into her analysis. This achievement is difficult to explain, especially to people who have not read her dissertation. I tried to find a metaphor that would help me tell you what I mean. What came to mind was a toy my son has, which is a set of gears that fit into holes on a board. You put the gears into the holes so they mesh together and then you can turn the crank and all the gears will go around together. Blaszczyk’s dissertation is like that – the gears are her case studies, or the analytic chunks of her case studies. Each of the very different case studies, with its own unique set of historical details and analytical points mesh together to tell a much more complex meta-story – and the whole, the meta-story about the complexity of historical experience – is greater than the sum of the parts.

I will now turn to Albert Churella’s dissertation on the dieselization of the American locomotive industry. Most recent work on the history of the corporation has focused on identifying and explaining the adaptive, economically rational management strategies that account for increasing corporate efficiency, growth, and market success. Churella’s dissertation is a penetrating examination of an equally interesting and important but very different and less well understood subject – why successful corporations fail – specifically, why

they fail to deal effectively with technological transitions that render popular products obsolete, ceding their well established markets to upstart new entrants who out-compete them so effectively that they may ultimately go out of business altogether. Churella makes brilliant use of comparative history to explain why some companies and their managers in the locomotive industry did well while others did very poorly. He documents in very vivid terms the mistakes the old steam locomotive companies made, contrasting this with the very dynamic and innovative actions taken by the successful ones. His dissertation demonstrates the value of comparative analysis in business history, for it illuminates differences between firms; and this I would suggest, puts the managerial rationality at the heart of Chandler's vision of the "visible hand" in fresh perspective. It shows that the efficiency maximizing character of Chandler's visible hand was not something impersonally selected for or determined by supply and demand conditions in the marketplace and the imperatives of economic efficiency maximization. It demonstrates that the visible hand was instead something dependent on corporate culture and the managerial acumen of the specific individuals who managed firms.

The main problem I have with the dissertation is that Churella lacks the evidence he needs to flesh out and document his argument that a backwards looking, steam-obsessed corporate culture was the reason the old companies were unable to make the transition to diesel power. He has not been able to obtain internal documents that would enable him to explore corporate culture in detail in any of his firms. In fact, he really doesn't have much in the way of documentation to support his contention that managers at Alco and Baldwin were uniformly and deeply anti-diesel in the 1930s and 40s. He is able to cite just a couple of published speeches to illustrate his point. His discussion of the backgrounds of the managers at Alco and Baldwin are unconvincing for it tells us nothing about their actual attitudes toward dieselization. Churella doesn't have what Freeland has: boxes of memos and reports that would allow him to explore in depth the attitudes values that shaped the corporate cultures that provided the context for the bad decisions that led to his firms' declines and ultimate collapses. As a result, his argument that this decline and failure was a function of corporate culture is largely a deductive one based on circumstantial evidence, rather than in inductive one based on research of corporate culture.

As it happens, I don't see this as a serious weakness with the study. Churella can't use materials in his research that probably no longer exist because his firms have been defunct for decades. Moreover, his circumstantial evidence is very compelling, in large part because it is based on very detailed comparative analysis of the differences between how Alco, Baldwin, and Lima responded to the emergence of the diesel market compared to GM and GE. Personally, I find his corporate culture argument quite persuasive at least in a general sense – despite the lack of detailed information about corporate culture at any of the firms he studied. I see this as evidence of the value of comparative history methodology.

Nevertheless, I'm disappointed that Churella was not able to explore culture in more depth. This failure leaves open the possibility that he is missing important parts of story – that the real explanation for the problems at Alco, Baldwin, and Lima Hamilton is more complex than the one he has provided. In particular, it leaves open the possibility that strategies toward dieselization were contested at Alco and perhaps even Baldwin, in the way Freeland argues both strategy and structure were contested at GM. Internal conflicts and negotiations over strategic decisions and power relationships between managers may explain problems at Alco and Baldwin far better than that the general, seemingly monolithic general condition Churella calls corporate culture.

This brings me to the final dissertation selected for this panel: Robert Freeman's dissertation on the struggle for control at GM between 1924 and 1958. This is another very impressive piece of research and historical analysis.

In this study Freeland rethinks and revises Chandler's theory about the relationship between strategy and structure in the multidivisional corporation. He does this by integrating sociological theory about the nature of power in organizations into a study of management at GM in the decades following the institution of the multidivisional form of corporate structure. Making use of a treasure trove of internal GM documents at the Hagley Library, Freeland is able to explore and document in fascinating detail the power struggles that took place over both strategy and structure between the different interests involved in top management at GM: the Duponts, Alfred Sloan and his staff at headquarters, and the divisional managers.

Freeland has discovered that in response to this struggle, Sloan repeatedly changed the organizational structure of GM in order to better position himself to respond effectively to changing market conditions and internal factors in the firm. Bucking the demands of the majority owners, the Duponts, Sloan at times enlisted the participation of the divisional managers in strategy making and/or involved himself and his staff in routine operations management. As Freeland point out, this finding challenges one of the fundamental axioms of Chandler's theory of managerial capitalism: namely the idea that the existence and stability of a specific organizational structure – the one Chandler defined as the multi-divisional structure – was essential to the success of businesses in center industries over the course of the twentieth century. This structure was deemed essential because it removed top corporate executives from routine operating activities while providing for an optimal flow of information about operations to reach those managers so they could make optimizing long term strategic decisions. Clearly this is much too simplistic an idea to explain what was going on at GM. Freeland provides a brilliant analysis of what was really going on.

I'd like to make two suggestions which I think might help Freeland strengthen his analysis even more. First, I'd like to urge him to think about how to integrate his discussion of economic and sociological theory into his narrative of the history of power struggle at GM. Freeland has a wonderful second chapter in which he explains the competing efficiency and power theories of corporate organization in very clear and edifying detail. He does not, however, make use of

the theories in any explicit way in the rest of the study. I would suggest that he use the theory to clarify the main points he believes his narrative history documents, and that he also use the narrative to elaborate on the relative strengths and weaknesses of the two sets of theory.

Second (and here I may be going out on a limb), I'd like to suggest that Freeland consider pushing his claim to fame even further than he already has. It seems to me that his research challenges the Chandlerian model in more fundamental ways that even he acknowledges. What jumped out at me when I was reading his study was the incredibly important role that Alfred Sloan played in GM's success. Sloan dealt with Dupont and the division managers contesting strategy and structure at GM in masterful ways, repeatedly reorganizing corporate structure so that he would be able to run the firm the way he thought it should be run. He allied himself first to one group and then the other as he realized that his interests most closely aligned with one group rather than the other, picking and choosing between the conflicting advice he got from each group and even his own staff on the basis of his own, brilliant, intuitive grasp of what made most sense for the corporation as a whole. My sense is that organizational structure was semi-irrelevant to GM's success, at least as an independent variable. The real independent variable was Sloan.

Now I don't want to overdo this. Clearly the organizational changes that took place in 1946 that led to the establishment of the Financial Planning Committee created problems for Sloan that he never managed to manage his way out of. Nonetheless, what I find interesting is that in the late 40s and 50s, as Sloan began to lose power to the FPC and then to new Presidents Charles Wilson and Harlow Curtice, GM's increasingly finance-oriented top management began to make the mistakes that would ultimately lead to the firm's competitive downfall. I suggest that the problem was not structure so much as people: different people were in charge, people who were less brilliant than Sloan. Even structural change could not have saved GM from their mistakes. Freeland suggests that management made a mistake when it reestablished the classic M-form structure in 1956. He argues that a less pure, more participatory structure like the ones developed by Sloan in the 1930s would have served GM better. The question I have for him is, would a more mixed, participatory structure have really made much of a difference, given the people in charge? If Freeland's basic argument is valid (and I think it is), that both strategy and structure are determined by power relations at the top, it seems to me that we must seek explanations for the institution of this arguably inappropriate structure, and more generally GM's whole decline, in explorations of the values, managerial acumen, and decision making of those individuals who wielded and contested power. As Freeland himself points out, structure is enmeshed in and a product of the power relations he describes, not independent of them.