

HTS 3002-A: HISTORY OF AMERICAN BUSINESS

Professor A. W. Giebelhaus
Office: 202 D.M. Smith
Office Hours: M, W, F, 10 - 11, 2 - 3
(or by arrangement)

Fall 2008, D.M. Smith 304
M, W, F, 1:05 - 1:55
Telephone: 894-6828
gus.giebelhaus@hts.gatech.edu

This course will trace the development of American business institutions from the era of the colonial merchant, up through the nineteenth century, to the large multidivisional, decentralized, and often multinational firms that dominate today's economy. Among the themes explored will be the role of the entrepreneur, the rise of "big business," business structure as a factor of market strategy, the role of changing technology, business-government relations, and the emergence of managerial capitalism in the twentieth century. Reading assignments are listed on the syllabus and students are responsible for preparing before coming to class. Grades will be determined by two tests, two out-of-class essays, and a final examination. Each exam will be worth 25% of your grade; the two out-of-class essays, averaged together, will make up the remaining 25%. The last day that you may withdraw without penalty from this class is Friday October 10. You will have received back your grade from the first exam by then.

REQUIRED TEXTS (available at Georgia Tech Barnes & Noble and Engineer's Bookstores):

Alfred D. Chandler, Jr., *The Visible Hand: The Managerial Revolution in American Business*, Belknap Press, paperback (ISBN # 978-0-674-94052-0)

Harold C. Livesay, *American Made: Shapers of the American Economy*, 2nd. Edition, Pearson/Longman, paperback (ISBN # 978-0-321-07619-0)

Thomas K. McCraw, *American Business, 1920-2000: How it Worked*, Harlan Davidson, paperback (ISBN # 978-0-88295-985-9)

WRITTEN ASSIGNMENTS:

Essay 1: library assignment -- **due on Wednesday October 8**. Each student is required to read two separate articles from the pages of *Business History Review* (HF 5001.B8262), a publication of the Harvard Graduate School of Business and the premier scholarly journal in its field. The written paper will consist of a six page, typewritten (double-spaced) precis of the articles (three pages for each article). Your paper should summarize the main argument or contribution of each article, and briefly evaluate its quality in terms of its importance to our understanding the history of American business. There are a variety of articles in the journal on a number of different topics. You may pick any two that seem interesting to you. A special plea -- if you feel that you need a copy of your articles, photocopy them; please don't destroy this source for others by razoring out the pages. **Note:** in the stacks for browsing are non-circulating bound volumes of the journal from 1980 to the present; all articles pre-1980 are in storage and may be obtained from the circulation desk upon request. For this assignment, however,

it would probably be best to look at the more recent articles since 1980. The most recent issues (2007-2008) may be found on the alphabetically arranged periodical shelves on the second floor of the library. Articles may also be found on the academic journal data base JSTOR.

Essay 2: The role of the entrepreneur -- **due on Wednesday December 3.** This assignment is to write a biographical essay of approximately five to seven typewritten pages (double spaced) on an American business leader. He or she may be from an earlier period of business history or someone from the more recent era. In addition to providing a brief narrative of the individual's career and accomplishments, you should also evaluate his or her successes and failures, and provide an assessment of the person's overall importance. You should use the essays in the Livesay book as a guide to your approach, but you **may not** select one of the figures in his book for your topic. Reference footnotes and a bibliography of at least five sources are mandatory.

GEORGIA TECH HONOR CODE:

Students in this class will be expected to abide by the honor code and avoid any instances of academic misconduct including but not limited to: 1) possessing, using, or exchanging improperly acquired written or oral information in the preparation of an exam or paper; 2) substitution of material that is wholly or substantially identical to that created or published by another individual or individuals; 3) false claims of performance or work that has been submitted by the student. See published Honor Code for additional information (the full text of the code, the history of its development and implementation, and other related information may be found on the web at <http://www.honor.gatech.edu/>). Copies of exams previously given in this course will be available on the web at the Georgia Tech library home page and listed under "reserve readings" under Professor Giebelhaus' name and/or HTS 3002.

CLASS SCHEDULE AND READING ASSIGNMENTS:

August 18, 20, 22

I. The Historical Setting: American Values and the Business Revolution

- A. What is Business History?
- B. The Business Revolution
- C. Colonial Antecedents of American Business

Reading: Chandler, introduction and chapter 1; Livesay, chapter 1

August 25, 27, 29, September 3 (no class on September 1 – Official Holiday)

II. The Evolution of Traditional Business Institutions to 1850

- A. The Legacy of the American Revolution
- B. New Forms of Organization in Transportation and Manufacturing
- C. The Agricultural and Industrial Revolutions

Reading: Chandler, chapter 2; Livesay, chapter 2

September 5, 8, 10, 12

III. The Political and Legal Environment

- A. The Existence of "State Mercantilism"
- B. The Evolution of Banking and Finance
- C. The Tariff Issue

Reading: Chandler, chapter 3; Livesay, chapter. 3

September 15, 17, 19

IV. The Railroads and the Emergence of "Big Business"

- A. Railroads as a Pioneering Organizational Model
- B. Competition, Concentration, and Control
- C. New Methods in Finance and Accounting

Reading: Chandler, chapters 4, 5, and 6

September 22 -- First Exam

September 24, 26, 29

V. The Growth of Large-Scale Enterprise

- A. Mass Production and Mass Distribution
- B. The Consolidation Movement and the Rise of Finance Capitalism
- C. Taylorism and Scientific Management

Reading: Chandler, chapters 7 and 8; Livesay, chapters 4 and 5

October 1, 3, 6

VI. Government and Business at the Turn of the Century and After

- A. Tariff, Banking, and Currency Issues
- B. The ICC, the Sherman Act and their Significance
- C. Regulation and Antitrust in the Progressive Era

Reading: Chandler, chapters 9 and 10; Livesay, chapter. 6

October 8, 10, 15 (October 11-14 Fall Recess)

VII. Strategy and Structure: New Patterns of Business Organization

- A. The Emergence of Business Administration as a Discipline
- B. The Development of Centralized Management
- C. The Chandler Thesis and its Critics

Reading: Chandler, chapters 11 and 12;

October 17, 20, 22

VIII. The Multidivisional, Decentralized Structure

- A. DuPont and the Making of the Modern Corporation
- B. General Motors: Giant Enterprise in the Automobile Industry
- C. Sears Roebuck: Mail Order to Retail Sales

Reading: Chandler, chapter 13; Livesay, chapters 7 and 8; McCraw, Introduction

October 24, 27, 29

IX. Business in War and Depression

- A. Mobilization for War in 1917
- B. Business and the Great Depression
- C. World War II and the Business Community

Reading: Chandler, chapter 14 and conclusion; McCraw, chapters 1-5

October 31 – Second Exam

November 3, 5, 7

X. Post-World War II Business Developments

- A. African-Americans in Business Enterprise
- B. The Case of Television
- C. Advertising, Consumerism, and Conglomerates,

Reading: McCraw, chapters 6 and 7

November 10, 12, 14

XI. The Changing Context of Business Development

- A. The “Associative State” in the Late Twentieth Century
- B. U. S. Business in the World Economy: The Multinational Model
- C. Renewed Merger Activity at the end of the Century

Reading: Livesay, chapters 9 and 10

November 17, 19, 21, 24

XII. New Trends in Business Practice

- A. New “High Tech” Industries: Chemicals and Pharmaceuticals
- B. Franchising: The Case of McDonald’s
- C. Computers and the Internet: The Rise of “E-Commerce”

Reading: McCraw, chapters 8 and 9; Livesay, chapter 11

November 26, December 1, 3, 5 (November 27-28 Official Holiday)

XIII. The Business Community and Contemporary Challenges

- A. Consumer and Environmental Regulation
- B. Corporate Power and the Public Interest
- C. New Trends in Globalization

Reading: McCraw, chapter 10 and Epilogue; Livesay, ch. 12

December 8-12 --Final Exams: Our exam is scheduled for exam period #6 – Tuesday, December 9, from 2:50 - 5:40

