PRESIDENTIAL ADDRESS

Managerial Culture and the American Political Economy

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I have always thought that an after-dinner speech was an unnatural act. A gathering of agreeable company for dinner should not be ended by – of all things – a speech. I am in very August company in raising questions about the ritual in which I am about to engage. Winston Churchill, for one, is reported to have observed that giving an after-dinner speech was like trying to kiss someone who did not want to be kissed.

To make the presidential address at the Business History Conference more palatable, our secretary-treasurer, Will Hausman, decreed that the talk should be somewhat autobiographical. Will, a sensible man, thought that such an approach might be more interesting than having the speaker discuss the state of the field or some such other topic typical of after-dinner talks at professional meetings. Over the years, I have approved of Will's intention of preventing dreary speeches. Still, providing speakers with a venue to talk about themselves always seemed to me a bit dangerous. We all find ourselves infinitely more interesting than others find us. Will had great confidence that we would know where to draw the line.

Happily, restraint has been the habit of those who have spoken at our annual banquets. I was reminded of that because in preparing these remarks, I reread the addresses of my recent predecessors. Most spoke about themselves and their work but then could not resist this splendid opportunity to speak some about the field. I am similarly tempted and will in the end turn to thoughts about two topics – managerial culture and the American political economy in the Cold War era. So, at the beginning, I make my apologies to Will if I depart too much from his guidelines. But I know that he will understand. He has teenage children and has been a department chair for a number of years, so he knows what it is not to be listened to.

Rereading the previous after-dinner speeches reminded me that, with the exception of last year's president, Ed Perkins, most of us did not begin our graduate careers intending to study business history. We have come to the subject through an interest in something else. That certainly was true in my case.

I entered The Johns Hopkins University graduate history program in 1964 as a student of intellectual history. My intention was to focus on the twentieth century, since the major thinkers of the eighteenth and nineteenth centuries, I thought, had been well studied. My first serious research at Hopkins focused on the influence of the New Deal on Reinhold Niebuhr's Marxism, a subject that seems

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now quaint in view of all of the changes that have occurred in intellectual history and the profession since the 1960s. While that paper was eventually published [7], I became not so much disenchanted with the subject himself – Niebuhr was a brilliant mind well worth serious study – but with the fact that studying the development of his ideas did not satisfy my basic interest in understanding the evolution of modern America. Typical of graduate students – and in retrospect, of course, of university faculty too – I did not keep my discontent to myself. Fortuitously, I revealed my angst to graduate student friends who had come to Hopkins to study with Alfred Chandler. On their recommendation, I took his lecture course on twentieth-century America. That class, and reading *Strategy and Structure* [8], had me hooked. I spoke to Al at the end of the semester, and he took me on as a graduate student. Aside from the attraction of his penetrating ideas, Chandler provided a wonderful model of serious professionalism, high standards, hard work, and even temper. My dissertation was on changes in nineteenth-century wholesaling, a subject close to Chandler's interests at the time, for he was already working on *The Visible Hand* [9]. As a result, he was very much engaged with my subject, and I got to work closely with him.

Hopkins also provided me with another attractive scholarly model. By the time I was writing my dissertation, Lou Galambos had joined the Hopkins faculty as a visiting assistant professor on leave. In my many years in the profession, I have never heard of another such appointment, so I marvel now, as then, at Lou's academic entrepreneurship. Lou became the second reader on my dissertation and gave it the kind of intellectual and editorial attention that only Lou can bestow, as any one of you who have benefitted from the Galambos treatment know. He too served for me as a model of professionalism, high standards, and hard work, but he also conveyed that serious scholarly enterprise need not be dull, that important ideas can be expressed clearly, and that disagreements can be aired good-naturedly. In short, Lou demonstrated that we can all have a good time doing what we do.

Engaged and happy as I was in my work at Hopkins, my final years there coincided with the beginnings of serious opposition to the war in Vietnam. I mention this only because – perhaps surprisingly – my involvement in antiwar activities later influenced my work as a business historian. I do want to say that, unlike many of the chicken hawks currently prominent in American politics, I have always been a chicken dove. So, I didn't get involved in anything violent or even very confrontational. In fact, I was most engaged in teach ins, having read a good bit about the histories of French colonialism, Vietnam, and American foreign policy.

In the midst of all of this I finished my dissertation and was launched on my teaching career in 1969 at a new campus of the University of Maryland in Baltimore County. I was obliged to teach – in addition to courses in economic history – something else. So, I chose to develop a course on the history of the Cold War, in large part because of the work I had done for the teach-ins. But the more I studied the diplomatic history literature, the more unhappy I became about the portrayal of the economic roots of American foreign policy. I published an article questioning the notion that industrialists in the late nineteenth and early twentieth centuries needed government to develop markets abroad [2]. This article attracted attention – not all of it friendly. I was invited in 1974 to take part in a session at the Organization of American Historians (OAH) on late nineteenth-century overseas expansion. I was young, green, and naive about how disconcerting my work appeared to people who approached the study of American diplomacy with a well-defined ideological point of view. At the OAH session, one commentator – whose name I have rarely uttered in over twenty years – absolutely tried to blow me out of the water.

He accused me of being a rank apologist for big business, of having sold out, of being little better than a running dog of American imperialism. I was stunned at such an *ad hominem* attack and lamely responded by basically reiterating what I had said. Others on the panel did a better job of defending what I was trying to do.

This unpleasant experience had over the longer term a happy outcome. In an almost Dickensian turn of events, the history editor of the University of Chicago Press was in the OAH audience. Afterwards, he took me out for a stiff drink, which I can assure you I needed. He offered that if there were a book manuscript behind my ideas, he'd like to read it. Eventually, in 1982, *The Dynamics of Business-Government Relations: Industry and Exports, 1893-1921* [3] did appear, and Chicago published it. By then, though, the focus of the work had changed. My interest was as much how one should go about the study of the relationship between business and government as about the debate among diplomatic historians over the role of economic interests in American foreign policy. My goal was to demonstrate, and assess the impact of, the complex interactions between private and public entities in promoting the expansion of American markets abroad. In current parlance, one might say I analyzed how, over time, public and private business bureaucracies constructed and acted upon what their interests were in each other.

The work proved controversial, at least among diplomatic historians, which I only mention because controversy was good for the business of producing other books. One was a coedited volume of commissioned essays, *Economics and World Power* [4], examining how the changing nature of the international economy and America's role in it affected American diplomacy. My work on business-government relations also prompted an unlikely invitation from the Army Corps of Engineers for a historical study of the building of the St. Lawrence Seaway, *From the Atlantic to the Great Lakes* [6]. In particular, the Corps was interested in an examination of the origins and workings of a new approach to their projects. To build the seaway the Corps had established a semi-public corporation. They wanted to examine why that had come about and to assess how it worked. While this was my first foray into applied history, it was very satisfying historical work. The Corps kept excellent and extensive records. So, in writing the book, I had the wonderful experience of having verbatim transcripts of almost every important meeting convened about the project. The book was politely received, especially among scholars working on public history, all of which was a pleasant relief. For its part, the Corps of Engineers, which does nothing in a small way, produced a large first – and only – run of the book. I understand there are many copies still available in a warehouse outside of Washington.

The book on the dynamics of business-government relations led to another happy turn in my career. It helped foster a friendship with Albro Martin, and eventually led to some other scholarly projects. Because of his own work on government and the railroads in the progressive era [18], Albro took an interest in my work. Unfortunately, ill-health has kept Albro from recent meetings of the Business History Conference, which is a great loss. Albro is a man of infectious good humor and a great sense of fun. While not stingy with his opinions, he took relish in intellectual combat, believing that such exchanges only helped to sharpen thinking. He came to the professional study of history after a career in advertising, so he brought long practical business experience to the historical study of the subject. He also is a learned man with a broad knowledge of literature, philosophy, music, and art who always reminded me that students of history – regardless of the methodologies that we might use to understand the past – are engaged in a deeply human-

istic enterprise. I regret that he was still not attending these meetings when his masterful *Railroads Triumphant* [20] appeared. It is a wonderful study of the social impact of the railroad, a fitting sequel to his earlier biography of James J. Hill [19].

Albro's interest in biography, and skill as an editor, won him an NEH planning grant to put together a biographical encyclopedia of American business history. Once launched, Albro realized that the project was too long-term for a man of his age, and he asked me to take on the general editorship of what became the *Encyclopedia of American Business History and Biography* [5]. Of a projected fifty volumes, we only published nine, covering banking and finance, railroading, automobiles, iron and steel, and airlines. These heavily illustrated volumes were expensive to produce and market at a time when both public and university libraries were cutting budgets. Then, too, while some industries have a large number of specialists from which to recruit contributors, others do not. The books that appeared have proved to be a useful reference tool. They also vindicated Albro's initial idea that biography was an especially attractive way to interest people in the history of American business.

My current project is a study of big business in the twentieth century. It is a synthesis designed to examine the political and social, as well as the economic and organizational, dimensions of large-scale enterprise in manufacturing, banking, finance, insurance, transportation, and communications. In writing this book I am making use of the work of social, labor, and women's historians. Recently, I have also become interested in what business historians might learn from those engaged in, broadly speaking, cultural studies.

I'm not alone, of course, among business historians in reaching out to other areas of historical study. Austin Kerr in his presidential address talked about business history making connections to social history [15] and Lou Galambos in his printed remarks illustrated how some fundamental cultural concepts of business life (like rationality) might be deconstructed; that is, analyzed in terms of how they took on the meaning commonly accepted in business [12].

Both Kerr and Galambos want to ensure that business history not become isolated from broader trends in American historiography. Their remarks reflect a perceptible uneasiness among business historians about the direction of our field. Part of it has to do with the nature of academic professionalism. Both the historians and economists among us appear to our disciplinary colleagues to be somewhat out of step with the dominant direction of our respective disciplines. My sense is that the uneasiness is greatest among historians. Our economist colleagues can take satisfaction in knowing that business history has influenced, if not won over, their field's thinking about such central concepts as the firm, technology, and innovation. The direction of professional historical studies, I think, has been more unyielding.

The interest in reaching out to other parts of the historical profession also stems, I think, from a concern that we need to add further dimensions to the structural, functional conception of the large firm that has helped define our subspecialty for a generation now. While structural functionalism has great explanatory power, it is nevertheless rooted in a limited behavioral model of enterprise development that, in the interest of methodological rigor, has left out politics, society, and culture.

Recently, as a result, business historians have used the insights of social history in studies of women and minorities as employees and entrepreneurs. There has been important work on personnel management, which provides a guide to how managers perceived worker motivation. Much more of this kind of work needs to be

done, especially in regard to labor-management relations. For their part, some social historians have made business the subject of their work. A particular success has been Olivier Zunz's study of the development of the work culture of middle managers and clerical workers between 1870 and 1920 [21]. Angel Kwoleck-Folland's analysis of the complexities of gender relations in the financial industries between 1870 and 1930 further broadened our understanding of clerical employees [16].

The historical profession's interest in cultural analysis is more recent, and we have not yet begun to appropriate it into our work. By the 1980s, some social historians had begun to use anthropological notions of culture to describe how particular groups understood and defined their experiences. More recently a much broader conception of culture has come to the fore in what is called cultural studies. The latter is based more on a literary than an anthropological definition of culture. Cultural studies, according to a standard definition, are devoted to the "critical analysis of...the production and reception of all forms of cultural institutions, processes, and products..." [1].

Of course, not everyone agrees that we should get ourselves into the profession's mainstream by adopting a cultural analysis. Current trends in American historiography are controversial; I have heard theories about culture described as "pretentious nonsense." Perhaps to put the thought less confrontationally, there is a sense that the broad, often amorphous conception of culture is of little use for the kinds of questions that occupy us. Others believe, or hope, that the interest in culture is a fad that will someday pass, as past enthusiasms for models and paradigms have waned. Nevertheless, it is fair to point out that cultural issues have not been entirely absent from the work of business and economic historians. One need only recall the contributions of Thomas Cochran, Jonathan Hughes, and Harold Livesay, all of whom were interested in the mutual interaction between businesspeople and their society.

Nevertheless, I think that we should make use of what we can from cultural studies if it helps further our own mission, which I take to be the understanding of the origins and development of business enterprises, of all sizes, over time and in different countries. Fortunately, we have Ken Lipartito's 1995 Newcomen Prize Essay to help us along the way [17]. It nicely lays out the possibilities and issues involved in making culture a focus for the work of our field.

I would like to add here a specific suggestion about how cultural analysis might be applied to a standard subject of interest to business historians: the development and behavior of top management. Business history has tended either to overemphasize the role of the individual in the development of business enterprise, or has virtually ignored him/her in deterministic analyses. Once established, most enterprises and certainly most large enterprises, are managed by a small group of top managers responsible for strategic decision-making. Attention to these managers as a group in cultural terms, however, would broaden and deepen our understanding of them as individuals and professional colleagues; it would also allow an examination of how they defined – constructed – business practices, policies, and the interests of stakeholders.

The possibilities of studying the culture of top management can be seen, I believe, in Charles W. Cheape's recent business biography of Walter Carpenter, a key figure in the top ranks of management at DuPont for almost 40 years. While Cheape's study focuses on Carpenter, the book illuminates very well the collegial, gentlemanly group dynamics of top-level decision making at DuPont. Cheape presents a picture of a top managerial culture committed in principle to detailed, statistical analyses and "professional" and "rational" behavior, but still influenced

importantly by the interests and perceptions of key members of the DuPont family. A full study of the top managerial culture at DuPont would require a close examination of other key figures. Once completed, though, one could make judgements about how that top managerial culture understood the corporation and its place in the larger society, how attitudes and policies developed toward workers, competitors, customers, government, and so on [10].

Briefly, and finally, I would like to turn to the other part of the title of my talk: the American political economy, especially since the end of World War II. The interpretative issues here are different from the ones I have been talking about in regard to culture. If cultural analysis would keep business history in the historiographical mainstream, a concern for the nature of the American political economy in the last half century might allow us to contribute to the major debate of our time about the role of government in the economy.

We live in a time when the dominant political discourse extols private investment as the best source of economic growth and small entrepreneurial business as the primary stimulus of new employment. My reading of the historical record of post-World War II America suggests that public investment and large-scale business contributed mightily to the strength of the postwar business system [14]. There is nothing wrong with private investment, nor with venturesome entrepreneurs. There is much wrong with a polity that conveniently forgets the nature of the recent American political economy. In particular, such political amnesia blots out the important nexus among private, semi-public, and public institutions that has produced advanced technologies and contributed to high levels of job creation. It is not interested in exploring the fact that major firms in those American industries currently with the largest market share in global markets (computers, nuclear power, jet propulsion, aeronautics, pharmaceuticals) have been part of public and private scientific and technological networks for decades. In the period since World War II, private firms in these key industries have developed new technologies and products working closely with public agencies (Department of Defense, Department of Energy, NASA, National Institutes for Health) and private and public universities, the latter receiving large federal funding for their efforts.

I don't want to get too grandiose in talking about the current political debate – about the need to speak truth to power. But the development of high technology industry since World War II raises interpretational issues for us as business historians. Much important work has already been done on enterprises in each of the industries I've mentioned. This work, as a rule, does not slight the role of government as customer and as a source of new technologies. But is the firm alone the best way to conceive of the history of business in high-tech industries in the Cold War era? Since the boundaries between public and private institutions were regularly breached in these decades, the focus of study perhaps should be the network of private and public institutions involved in the fostering of a particular technology. Such studies, I think, would permit a clearer analysis of the economic and social costs and benefits of the peculiar American political economy in high technology industry. In short, what the current political debate needs is the kind of balanced and nuanced scholarship that business historians can bring to the study of the American political economy. As such, we might make a contribution to the large debate about the role of government in the economy.

The possibilities of just such an approach can be seen in a recent book on the history of virology at Merck by Lou Galambos, with Jane Eliot Sewell [13]. They explore the complexities, including the costs and benefits, stemming from the

interaction among Merck and several public agencies, including the National Institutes of Health, the Centers for Disease Control, and the Food and Drug Administration. In doing so, while focused in a traditional way on the history of one division of Merck, they give prominence to the public-private scientific and medical network that led to advances in virology.

In closing, I would like to say again that you have honored me by having elected me president of the Business History Conference. And I have appreciated this formal opportunity to indulge my vanity and to talk about what I would like to see placed on our collective research agendas. I am also pleased to have the opportunity publicly to tell the incoming president, Manse Blackford, that writing a presidential address is considerably less work, and much more fun, than organizing the program of the meetings.

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